

POVERTY AND RICHES



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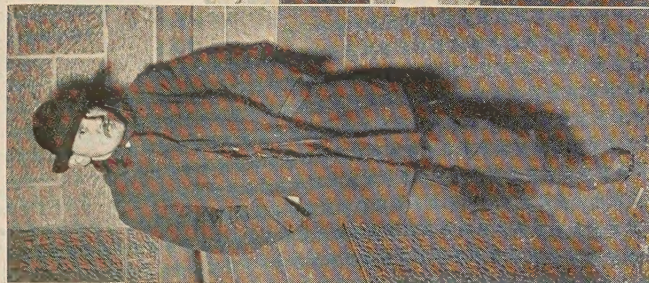
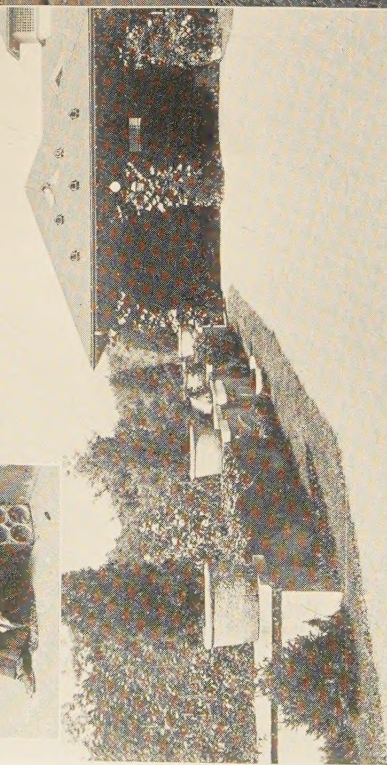
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POVERTY AND RICHES



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SUMPTUOUS STABLES AND HOMELESS HUMANS

This stable on a wealthy man's estate, provides not only luxurious quarters for his horses but even individual houses for the pigeons seen on the roof. (From "House & Garden.") At the same time, the two other photographs, taken in New York City, show a destitute aged woman and a strong man without a kennel at the Brooklyn Bridge. (Photos by Hine Photo Co.)

Poverty and Riches

A STUDY OF THE INDUSTRIAL RÉGIME

By

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an Instance of Natural Resource
Monopoly," etc.

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Illustrated

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Lewis W. Hine, George Frederick Watts,
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INTRODUCTION

THEORY AND PRACTICE

1. *The Ordeal of Fire*

EVERY theory of human conduct must withstand the fires of experience. Otherwise it is a useless theory. The philosophies of nations and of individuals are constantly reshaped in the light of events. At some times the process is gradual; at other times great crises menace, and the most momentous consequences hang upon the decision.

The war that swept over Europe in the summer of 1914 soon resolved itself into a struggle between the English and the Germans. Two types of culture were brought into conflict. The names most often applied to these types are "individualism" and "socialism."

Unfortunately the words are not accurately descriptive, nor are they mutually exclusive. England is to a degree socialistic, while individualism finds a place in every phase of German life. Furthermore, the English variety of individualism is almost as far from Spencerian individualism as the German variety of socialism is far from Marxian Socialism. At the same time the words convey an idea that is firmly fixed in the public mind. The United States, as the offspring of England, is committed, by heredity

and by training, to espouse the cause of "individualism" and "freedom" wherever they appear.

The people of the United States are in sympathy with the Allies for many reasons, and among them is the strongly marked feeling that the United States is a lineal descendant of individualized, democratic England.

At that point several questions present themselves. What is individualism? Is it right or true? Will it work?

Spencerian individualism regarded the human being as the basic unit of society. Intellectually, that premise is sound. Biologically and socially, it is unsound. The human being uses his mind as an individual, but he cannot reproduce himself without a mate. The biologic unit is therefore a male and female. Speaking in terms of race perpetuation, "individualism" must refer to the unit of a man and a woman.

Socially, the unit is the family. Society depends for its future upon the care given by a man and a woman to their offspring. The family, in its home, thus becomes the center of social life; hence individualism, in social terms, relates to a family.

The idea of the individual unit may be carried further into social life—to the community, town, city—that has an individuality of its own, quite as clearly marked as the individuality of a human being. The same idea may be carried into industrial life, where railroads, telephone systems, factories,

mines, and stores, employing hundreds and thousands of persons, are operated as units. In the industrial city, the railroad organization or the factory organization, the individual human being is helpless and useless unless he is willing to co-operate actively in making the work of the whole group a success. No individual can manage a city, a railroad or a factory unless there are others who will subordinate themselves to his direction. Speaking in terms of modern community or of modern industrial life, the individual human being does not count. The thing that does count is the group, working in intelligent harmony. The individualism of the Industrial Régime is an individualism of large units of co-operating workers.

The same thought may be amplified in the case of the human body. The body is an individual, composed of numerous individual organs, which, in turn, are composed of numerous individual cells. The hand is a unit; each finger is a unit; the nerves, capillaries, bones and hairs of the fingers are units, as are the cells of which they are all composed.

English individualism deals with the individual human being—it is intellectual individualism. Thinking in such terms, and applying their thought to the affairs of the state, the English-speaking world built up a social system on the supposition that the greatest sum of human happiness and nobility can be thus secured.

2. *Intellectual Individualism*

Will intellectual individualism work? Can a nation succeed that permits the individual citizens of which it is composed to extend the field of their activities so long as they do not interfere with their fellows? Some light is thrown on that question by the events that have transpired in Europe during the past few decades.

The author holds no brief for either England or Germany, nor will any effort be made to discuss the war of 1914. The one problem that will be presented at this point relates to the experience which England has had with the intellectual individualism that has been made the corner-stone of her social philosophy. This does not in any way involve the question of the success of the system adopted by Germany. It merely raises the issues that are involved in the experiences of England and suggests some of the problems that America must face if she follows the English example.

Many people assumed that the war of 1914 would end quickly and easily. There was, throughout England, an easy optimism. A few weeks, at most a few months, and all would be over. The German fleet swept from the seas, the Austrians humbled, Germany pushed back from Paris, Belgian soil freed from the invader—all this was to be accomplished by the army and navy, with that deliberate dispatch which for time out of mind had marked the triumphs of British arms. Weeks drew them-

selves into months and months into years. During the frightful interval, criticisms were piled high. The members of the cabinet, the field leaders, and the other officers of administration all came in for their share of censure. Here and there a voice was raised, crying that England was suffering—nay, some even said dying—of individualism.

Is individualism a disease? Will nations die of it? We, in America, have it in generous plenty. Will it prove fatal to the United States? Has it been a curse in England?

3. *The Industrial Régime in England and the United States*

The same forces that have placed the industrial leaders of England in a dominant position have placed the industrial leaders of the United States in a dominant position. The position occupied by the American leaders is perhaps a little more dizzy, because in one sense it is higher and less secure. In the main, however, the individualistic doctrines advanced in both countries have led both in the same direction and toward the same end—the pre-eminence of industrial power.

The sub-title of this book, "The Industrial Régime," was chosen with a purpose. First, it is perfectly evident to even the casual observer that the ruling power in the world today is the power of industry. The word "Régime" is used in recognition of this rulership or leadership of industry.

Second, the crucial question before the nation today concerns the effectiveness of the industrial rule. The industrial leaders are directing national affairs. Are they directing wisely? The industrial machine has dominated the community. Has this industrial domination proved socially advantageous?

There are people, not a few, who believe that the industrial order has justified itself; who are for letting things stand as they are. But will they stand? England was looked to as the mightiest power in the world, yet in the great world tourney she did not immediately demonstrate her superiority.

This individualism, that was looked to as a source of the robust national health without which a nation must cease to exist, has not played fair with England. For two centuries individualism has held a firm grip on the English people, and now it seems to have drained them of much of their vitality.

The ideal of individualism developed during the seventeenth and eighteenth centuries in opposition to the oppressive treatment that was being exercised by a decaying Feudalism, held that the individual must be left free to follow his own inclinations, which are necessarily good. Nature's man is a good man, according to this philosophy, and the important thing is to let man be free, as he was under nature, so that he might live out the yearnings of his heart.



CHILD LABORERS OF THE COAL MINES

These boys are employed as "slate pickers." As the coal comes down the slide they must pick out each piece of rock or slate and put it in a separate chute. It is constant hard work,—less agreeable than going to school, or fishing or playing baseball. (Copr., Underwood & Underwood, New York.)

4. *Laissez-Faire*

The idea of individualism, applied to industry, took the form of the "*laissez-faire*" doctrine. Industry will necessarily develop most advantageously if it is unrestricted. Therefore it must be "let alone."

This doctrine of the French School of Physiocrats was forced upon the attention of England by the economist, Adam Smith, at the time (1776) when the modern method of factory production was getting its start in the British Isles. The doctrine offered marked advantages to the manufacturer, because it left him free to follow his own devices. The scheme therefore won the cordial support of the industrial class at the time that it was ascending to a position of dominating importance.

The *laissez-faire* idea gave the manufacturers exactly what they most desired—opportunity to develop their new projects, free from hampering influences. They seized the idea eagerly. They taught it, preached it, defended it. Industry must be free to grow; only as it was let alone, could it demonstrate its full possibilities.

So plausible was the doctrine; so able and powerful were its advocates; so completely had men reacted against tyranny and oppression; so eager were they for liberty in whatever form it might appear, that for a half a century the *laissez-faire* idea held complete sway over the policies of England. The English manufacturers had a splen-

did chance to show what the real merits of the *laissez-faire* idea were. Factory industry grew up in England, unhampered by legislative restrictions. There was none of the governmental interference that in these days arouses such bitter opposition in many industrial circles. No social idea ever had a better tryout than this of *laissez-faire*. And the results? Words almost fail. The more revolting details do not bear printing outside the realm of technical literature. At the beginning of the nineteenth century, with the English manufacturers in full control, with a domination of the world markets, and wholly free from any government restrictions, the conditions in the factory districts are thus described by a careful student of the problem who is writing of the manner in which the workhouse children were sold to the mill owners: "Sometimes regular traffickers would take the place of the manufacturer, and transfer a number of children to a factory district, and there keep them, generally in some dark cellar, till they could hand them over to a mill-owner in want of hands, who could come and examine their height, strength, and bodily capacities, exactly as did the slave dealers in the American markets. After that the children were simply at the mercy of their owners, nominally as apprentices, but in reality as mere slaves, who got no wages, and whom it was not worth while even to feed and clothe properly, because they were so cheap, and their places could be so easily supplied. . . . The

hours of their labor were limited only by exhaustion, after many modes of torture had been unavailingly applied to force continued work. Illness was no excuse: no child was accounted ill till it was positively impossible to force him or her to continue to labor, in spite of all the cruelty which the ingenuity of a tormenter could suggest. Children were often worked sixteen hours a day, by day and by night. Even Sunday was used as a convenient time to clean the machinery. The author of 'The History of the Factory Movement' writes: 'In stench, in heated rooms, amid the constant whirring of a thousand wheels, little fingers and little feet were kept in ceaseless action, forced into unnatural activity by blows from the heavy hands and feet of the merciless overlooker, and the infliction of bodily pain by instruments of punishment, invented by the sharpened ingenuity of insatiable selfishness.' They were fed upon the coarsest and cheapest food. . . . They slept by turns, and in relays, in filthy beds which were never cool, for one set of children were sent to sleep in them as soon as the others had gone off to their daily or nightly toil. There was often no discrimination of sexes; and disease, misery, and vice grew as in a hot-bed of contagion. Some of these miserable beings tried to run away. To prevent them from doing so, those suspected of this tendency had irons riveted on their ankles, with long links reaching up to the hips, and were compelled to work and sleep in these chains. . . .

Many died, and were buried secretly at night in some desolate spot, lest people should notice the number of the graves; and many committed suicide." There Gibbins stops with the remark,—“One dares not trust oneself to try and set down calmly all that might be told about this awful page in the history of industrial England.”¹

The instances adduced in the course of Parliamentary inquiries, and cited by Gibbins on subsequent pages, burn hot into the imagination of one schooled to the elements of humanitarian feeling. In one section (230) on “English Slavery” are set down the records of case after case of little children who were never employed “Under five,” chained, beaten and in some cases dying of exhaustion brought on by excessive toil.

These statements are corroborated and amplified by the historians of the early factory system. Thus Lecky, in his “England in the Eighteenth Century,”² writes: “In the very infancy of the system, it became the custom of the master manufacturer to contract with the managers of workhouses throughout England, and of the charities of Scotland, to send their young children to the factories of the great towns. Many thousands of children between the ages of six and ten were thus sent, absolutely uncared for and unprotected; and left to the com-

¹ “Industry in England,” H. deB. Gibbins. New York: Scribner’s, 1897, pp. 388–90.

² Volume VI, pp. 224–25.

plete disposal of masters who often had not a single thought except speedily to amass fortunes, and who knew that if the first supply of infant labor was used, there was still much more to be obtained. Thousands of children at this early age might be found working in the factories of England and Scotland, usually from twelve to fourteen, sometimes even fifteen or sixteen, hours a day. Not infrequently during the greater part of the night. . . . In one case brought before Parliament, a gang of these children was put up for sale among a bankrupt's effects, and publicly advertised as part of the property. In another, an agreement was disclosed between a London parish and a Lancashire manufacturer, in which it was stipulated that with every twenty sound children one idiot should be taken. Instances of direct and aggravated cruelty to particular children were probably rare, and there appears a general agreement of evidence that they were confined to the small factories. But labor prolonged for periods that were utterly inconsistent with the health of children was general. In forty-two out of the forty-three factories at Manchester, it was stated before the Parliamentary Committee in 1816, that the actual hours of daily labor ranged from twelve to fourteen, and in one case they were fourteen and one-half. Even as late as 1840, when the most important manufacturers had been regulated by law, Lord Ashley was able to show that boys employed in

carpet manufactories at Kidderminster were called up at three and four in the morning, and kept working sixteen or eighteen hours; children five years old were engaged in the unhealthy trade of pin making, and were kept at work from six in the morning to eight at night."

The desperate straits to which a part of the working population of England was subjected as a result of developing the factory system, are described by Lecky in these terms:³

"The woolen manufacturing in the eighteenth century was carried on by numbers of small masters in their own homes. They usually employed about ten journeymen and apprentices, who were bound to them by long contracts, who boarded in master's house, and who worked together with him, under his immediate superintendence. In Leeds and its neighborhood, in 1806, there were no less than 3,500 of these establishments. But the gigantic factory with its vast capital, its costly machinery, and its extreme subdivision of labor, soon swept them away. (See Howell's 'Conflicts of Capital and Labor,' pp. 84-88.) Hand-loom weaving, once a flourishing trade—long maintained a desperate competition against the factories, and as late as 1830 a very competent observer described the multitude of weavers, who were living in the great cities, in houses utterly unfit for human habitation,

³ "England in the Eighteenth Century," Lecky. Vol. VI, pp. 220-21.

working fourteen hours a day and upwards, and earning only five to eight shillings a week. (See Kay's 'Moral and Physical Condition of the Working Classes,' p. 44; Wade's 'History of the Middle and Working Classes,' p. 571.)"

Even more revolting are the descriptions written of the conditions that surrounded the lives of the mine workers in the early part of the nineteenth century. Women as well as men were taken into the mines, and there subjected to the most fearful hardships. In some cases, as the reports of the Parliamentary investigation showed, the women dragged the cars through passageways that were too low to admit of the use of ponies or mules.

These are but examples of the many passages that might be cited of the monstrous conditions of labor prevailing in English industry at a time when there was no vestige of governmental interference. The profits of the business were immense, and to these immense profits some of the manufacturers sacrificed every consideration of humanity and decency. *Laissez-faire* at its best, was indescribably, unthinkably frightful.

5. *Legislative Interference*

Faced by such conditions at the beginning of the nineteenth century, the more far-seeing of English statesmen saw the danger to British national supremacy in a system of such fearful exploitation. Beginning in 1802, with the first Factory Act, law

after law was passed, safeguarding the health, first of the children, and later of women and men. Even the earliest of these laws, which contained little more than a theoretical departure from the policy of *laissez-faire* was carried, to use Lecky's phrase, "in the teeth of a fierce class opposition." The manufacturers banded themselves together and fought the acts one by one. They alleged foreign competition, the danger to the existence of British industry, dwindling profits, and finally, the right of Britons to full individual liberty.

Parliamentary investigations succeeded one another, and revelations that they made were so terrible that some action became imperative. This was particularly true of the investigation of the mines. The findings led at once to the passage of legislation forbidding the work of women underground.

The Act of 1831 forbade night work for persons between nine and twenty-one years of age, and limited the working day of persons under eighteen years to twelve hours a day and nine hours on Saturday. This law, applying to cotton factories only, was passed after a third of a century of ceaseless agitation. Under it, children of nine could be called upon to work sixty-nine hours a week. "The hours of black slaves' labor in our colonies were at that very time carefully limited by law (Orders in Council, November 2, 1831) to nine per day for adults, and six for young persons and children, while

night work was simply prohibited.”⁴ Not until 1847 was a ten-hour day for women and children secured.

6. *Laissez-Faire Justified*

The debates in Parliament over the early factory acts sound wierd and uncanny in twentieth century ears. The unspeakable working and living conditions of the industrial population were explained and justified in the name of liberty and individual freedom.

The revolting conditions surrounding the lives of the working population were more than offset, in the eyes of English statesmen, by the cheapness of the product, the profits of the industries to the manufacturers and the splendid trade balances that were growing in favor of England.

England was prosperous. She had developed the factory a generation in advance of the rest of the world; consequently she was able to undersell her competitors in the world markets. It is probably true that Napoleon was beaten in the weaving sheds of England. The English factories threw the French hand-weavers out of employment, while they took the French markets.

England was rapidly insuring her place as the premier commercial nation of the world. Her factories captured markets through the low-priced goods that she turned out. Her ships were engaged

⁴ “Industry in England,” *op. cit.*, pp. 398-99.

in carrying these products to all parts of the world and bringing back raw material which, in turn, would be manufactured and sent out. England bought cheap and sold dear. She made a manufacturer's and a trader's profit. The British nation was rapidly growing rich.

Political economy, in those early days, measured prosperity in terms of trade balances. Profits were high—they were often equal to hundreds of per cent on the investment. Engaged as she was, in the importing of raw materials and exporting finished goods, England, from the standpoint of classical political economy, was in a superb position.

The factory acts improved working conditions somewhat. Still the exploitation of labor continued. Wages were low. Rents were high. The manufacturers grew rich while their employees lived, for the most part, in the depths of poverty.

The yeomanry of England had disappeared. Agricultural land had been bought up, commons had been enclosed, and the large sheep raisers had taken over the land. Now, under the impetus of factory organization, the people were moving rapidly into cities and towns, and while the country villages became "rotten boroughs," the manufacturing centers swarmed with human beings. Housing was inadequate; sanitation was primitive; disease flourished.

Still England was prosperous. Her trade was increasing; her manufactures were growing even

faster; profits were large; wealth was piling up at a phenomenal pace. Trade, manufacture, profits, wealth—these were prosperity. Economists and statesmen alike rejoiced in their country's progress.

7. *The Prophets of Better Things*

The prosperity-enthusiasts did not have the field entirely to themselves. During the early years of the exploitation of English labor by the newly created system of factory industry, there were not lacking voices that uttered vehement warnings and earnest prophesies concerning the outcome of a system of industry that built prosperity upon poverty. Thus, Ruskin in one of his analogies, points out the similarity existing between a national household and a domestic household. In the one, as in the other, the prosperity of the institution must be analyzed in terms of the well being of the members. If any do not share in the prosperity of home or state, perhaps, after all, the prosperity is not real. Applying this proposition to England, that was called prosperous by the classical economists of his time, he says: "The power of our wealth seems limited as respects the comfort of the servants, no less than their quietude. The persons in the kitchen appear to be ill-dressed, squalid, half-starved. One cannot help imagining that the riches of the establishment must be of a very theoretical and documentary character."⁵ Again he notes the

⁵ "Unto This Last," John Ruskin.

“beautiful arrangement of dwelling-house for man and beast, by which we have grouse and blackcock, so many brace to the acre, and men and women, so many brace to the garret.”⁶ Throughout his discussion of political economy, Ruskin makes similar comparisons, and from each one he draws the conclusion that true national prosperity can never be built upon poverty and squalor. Where wealth accumulates and men decay, there can be but one final result.

Carlyle, too, had nothing but contempt for the widening abyss between poverty and riches. It was in 1831 that he wrote: “Does not the observant eye discern everywhere that saddest spectacle: The Poor perishing, like neglected, foundered, Draught-Cattle, of Hunger and Over-work; the Rich, still more wretchedly, of Idleness, Satiety, and Over-Growth.”⁷ No one was more scornful of the new régime than was Carlyle, who found in it the negation of many of the social principles that were to him most dear. At a time when they “on all hands hear it passionately proclaimed: *Laissez-Faire*,” Carlyle found nothing but condemnation of the doctrine in the events that were transpiring about him. It is because of this that he makes Teufelsdröckh exclaim: “Call ye that a Society where there is no longer any Social Idea extant; not so much as the Idea of a common Home, but

⁶ “Crown of Wild Olive,” Ruskin.

⁷ “Sartor Resartus,” Chapter 5.

of a common over-crowded Lodging House? Where each, isolated, regardless of his neighbor, turns against his neighbor, clutches what he can get, and cries 'Mine!' and calls it peace because, in the cut-purse and cut-throat Scramble, no steel knives, but only a far cunninger sort can be employed?"⁸ Again and again he records his vigorous protests against the abuses of the new industry that was preaching natural law while it multiplied profits.

There were splendid true things said by Ruskin; Carlyle scattered his invective over the fields of social wrong that he saw about him; but perhaps the fiercest attacks against the abuses of the profit system were made by Charles Dickens. "Hard Times" reveals him at his best in his analysis of "Prosperity." He holds the thing up, looks at it, laughs at it, and then throws it from him, shuddering at its noisomeness and dirt.

When Mr. McChoakumchild, the schoolmaster, assays to teach about "National Prosperity," little Sissy Jupe, who has been raised in poverty, fails completely to understand his point of view. "Girl number twenty," he says, "Now this schoolroom is a nation. And in this nation there are fifty millions of money. Isn't this a prosperous nation, and ain't you in a thriving state?" Poor Sissy was sadly puzzled, but she gave the wrong answer, for she said, "I couldn't know whether it was a prosperous nation or not, and whether I was in a thriving state

⁸ Sartor Resartus, Chapter 5.

or not, unless I know who had got the money, and whether any of it was mine." So the teacher stated the question differently. Said he: "This schoolroom is an immense town, and in it there are a million of inhabitants, and only five-and-twenty are starved to death in the streets in the course of a year. What is your remark on that proportion?" Again, Sissy was wrong, for she said she "thought it must be just as hard on those that were starved, whether the others be a million or a million million." So the teacher tried once more to give his point of view. "I find," he explained, "that in a given time a hundred thousand persons went to sea on long voyages, and only five hundred of them were drowned or burnt to death. What is the percentage?" "Nothing," Sissy replied, "to the relations and friends of the people who were killed." And she was wrong again!

Thus does Dickens ridicule the proposition that the chief aim of statesmanship is to build a prosperity based upon profits and trade-balances. Living in an age when prosperity was measured in terms of the well-being of manufacturers and traders, he recorded his contempt of the reverence with which the British nation regarded this kind of prosperity.

A very different note enters his language when he turns from the lives of the owners and the exploiters to the lives of the workers. He enters the subject abruptly.

"In the hardest-working part of Coketown; in

the innermost fortifications of that ugly citadel, where Nature was as strongly bricked out as killing airs and gases were bricked in; at the heart of the labyrinth of narrow courts upon courts, and close streets upon streets, . . . in the last close nook of this great exhausted receiver, where the chimneys for want of air to make a draught were built in an immense variety of stunted and crooked shapes; . . . among the multitude of Coketown, generically called 'the Hands'—a race who would have found more favor with some people if Providence had seen fit to make them only hands, or, like the lower creatures of the seashore, only hands and stomachs—lived a certain Stephen Blackpool, forty years of age.

"Stephen looked older, but he had had a hard life. It is said that every life has its roses and thorns. There seemed, however, to have been a mistake or misadventure in Stephen's case, whereby somebody else had become possessed of his roses, and he had become possessed of the same somebody's thorns in addition to his own."

Here Dickens is holding up to ridicule some of the favorite arguments of the political economists of his day. But in many a characterization throughout his novels he describes poverty, privation and hardship, particularly among children, with a telling power. As if to summarize his indictment against a society that permitted such frightful conditions to surround the lives of little children, he writes

the conversation between Scrooge, symbolizing commercialism, and the Spirit of Christmas, symbolizing the generosity of human nature, in words of gravest import.

"From the foldings of its robe it brought two children; wretched, abject, frightful, hideous, miserable. . . .

"Oh, Man! look here! Look, look, down here!" exclaimed the Ghost.

"They were a boy and a girl. Yellow, meager, ragged, scowling, wolfish; but prostrate, too, in their humility. Where graceful youth should have filled their features out and touched them with its freshest tints, a stale and shriveled hand, like that of age, had pinched and twisted them and pulled them into shreds. Where angels might have sat enthroned, devils lurked and glared out menacing. . . .

"Scrooge started back, appalled. Having them shown to him in this way, he tried to say they were fine children, but the words choked themselves, rather than be parties to a lie of such enormous magnitude." Scrooge then asks to whom they belonged.

"They are Man's," said the Spirit, looking down upon them. "And they cling to me, appealing from their fathers. This boy is Ignorance. This girl is Want. Beware of them both, and all of their degree, but most of all beware this boy, for on his brow I see that written which is Doom unless the

writing be erased. Deny it!" cried the Spirit, stretching out its hand toward the city. "Slander those who tell it ye! Admit it for your factious purposes, and make it worse! And bide the end!"

Ruskin turns from such conditions and descriptions with his famous statement: "There is no wealth but life." He had read the current Political Economy, with its laudation of trade-balances, profits and production. Against such patently fallacious doctrine he revolted. Bullion would not save a country, neither would trade-balances, nor yet profits. Real human prosperity was impossible while poverty raised its menacing form beside riches. Against such a contradiction, he hurled his great affirmation, "There is no wealth but life. Life, including all its powers, of love, of joy and of admiration. That country is the richest which nourishes the greatest number of noble and happy human beings; that man is richest who, having perfected the functions of his own life to the utmost, has also the widest helpful influence, both personal and by means of his possessions, over the lives of others."⁹

These were his standards of economics. His "veins of wealth" were not yellow but purple. They were in the flesh; not in the rock. He saw life, with all of its abundant possibilities, as the goal of national existence. How far had the leaders of commercialism fallen from that high standard!

⁹ "Unto This Last."

8. *The Deluge*

The nineteenth century witnessed a mighty struggle in England between those who believed in exploitation and those who demanded at least a measure of humane treatment for the workers. On the whole, the hundred years recorded decided progress. The first factory act (1802) was an infant in swaddling clothes compared with the acts that followed—each more drastic than its predecessor. Laws were altered to legalize trade unions; education was made general; the hours of labor and the conditions surrounding the labor were vastly improved. Toward the end of the century an ambitious scheme of social legislation was formulated, and in the dawning years of the twentieth century the scheme was launched.

And it was high time!

England, mistress of the seas, proud carrier of the traffic of the world, the center of international finance; the richest among the nations—England was reeking with poverty. Beside her factories and warehouses were vilest slums into which the people huddled, as in Ruskin's day, so many brace to the garret. There, in the back alleys of civilization, babies were born and babies died, while those who lived grew to the impotent manhood of the street Hooligan.

The power and glory of the British empire were built on the Cannon-gate of Edinburgh and the

Waterloo Junction slum of London. Thus based, were the foundations secure?

The Crimean War came, and ended, on the whole, to the credit of Great Britain. Then a half-century passed during which the British "fought a hundred campaigns against men without trousers."

The Boer war gave the English-speaking world a jolt. At the outbreak of the war the typical Britain was still pictured as a sturdy man, with round, ruddy cheeks and a big frame, built of roast beef and English home-brewed ale. He was the victor at Poitiers, Agincourt, Crècy and Waterloo. The Boers were a small group of farmers, easily disposed of. Still the war dragged on. The Colonial troops came in and won some battles. Finally, outnumbered and driven into a corner, the Boers made terms.

The British nation was uneasy. It was not the mismanagement of the war, nor the fact that the British army at the front had been facetiously described as "an army of lions led by asses." Sensational reports were afloat regarding the character of the "lions."

Charges about the recruiting were most disquieting. The physical standards for acceptance in the army were low, and yet large numbers of applicants had been rejected for all kinds of physical defects. The rejection rate for the recruits as a whole seems to have been about two out of five offering. However, there were many instances in which the rate went very much higher than this. "In the Manchester

district 11,000 men offered themselves for war service between the outbreak of hostilities in October, 1899, and July, 1900. Of this number 8,000 were found to be physically unfit to carry a rifle and stand the fatigues of discipline. Of the 3,000 who were accepted only 1,200 attained the moderate standard of muscular power and chest measurement required by the military authorities. In other words, two out of every three men willing to bear arms in the Manchester district are virtually invalids."¹⁰ Even more extreme charges were made by Dr. Robert R. Rentoul in a book entitled "Race Culture or Race Suicide" (The Walter Scott Pub. Co., London, 1906), which took up the problem, first from the side of the medical profession, showing how widespread serious physical defect really was, and then urging the necessity of some form of drastic action looking to the improvement of the race standard of the English.

Doctor. Rentoul (p. 19) states: "As regards the rejections in 1902, of those wishing to enter the army, there was an increase of 26.77 per thousand as compared with the previous year. Of recruits in England, the rejection rate was 335 per 1,000; Scotland, 275; and Ireland, 293. Of the previous occupations of recruits rejected, 359 per thousand were artisans, 328 shopmen and clerks, and 329 laborers.

"The following are some of the causes of rejection:

¹⁰ "Efficiency and Empire," Arnold White. Methuen & Co., London, 1901, pp. 102-03.

syphilis, 219; debility, 343; defective vision, 3,437; disease of the heart, 1,518; loss of many teeth, 4,316; varicocele, 1,103; flat feet, 1,090; under height, 1,015; under chest measurement, 4,969; under weight, 1,903. It will be noted that the largest number of rejections were for defective development—chiefly chest measurement.

“When I mention that the minimum chest measurement—chest fully expanded—was $33\frac{1}{2}$ inches; weight 112 pounds, and height 5 feet 2 inches, it will be recognized that a great amount of physical deterioration exists. Nor can it be contended that the medical examination is severe, as a reference to the Official Regulations for the Army Service, and under the “Rules for the Examination of Recruits,” no order is made for the examiners to examine the urine for kidney disease or diabetes.”

Doctor Rentoul comments further on the fact that these are the rejections by the examining medical officer. The War Office would publish no figures showing the number of rejections by the recruiting sergeants.

Regarding the rejections in the navy, Doctor Rentoul remarks, that “it is to be greatly deplored that the Admiralty persistently refused to publish statistics.” He mentions one statement from an apparently authoritative source to the effect that the rejection rate in the navy is “fully fifty per cent” (p. 19).

The Parliamentary Committee on Physical Dete-

rioration insists that the recruiting figures reflect less upon the physical status of the English people as a whole than they do upon the type of man that the army attracts. One of the army officers who testified described the recruits as very largely "rubbish."

This is not the entire explanation, however. The committee found some very serious conditions prevailing among the school children to whom it devoted a great deal of attention. Very careful evidence was offered, based on the measurement of the children in different parts of the population. The children going to the schools frequented by the well-to-do showed every evidence of good physical condition. Among the children of the poor the facts were far otherwise. "With regard to physical degeneracy, the children frequenting the poorer schools of London and the large towns betray a most serious condition of affairs, calling for ameliorative and arrestive measures, the most impressive features being the apathy of parents as regards the school, the lack of parental care of children, the poor physique, powers of endurance, and educational attainments of the children attending school." The same page has a comment on the "very abundant signs of physical defect traceable to neglect, poverty, and ignorance."¹¹ These statements are supported by a great body of material, showing that the children of

¹¹ Report of the Committee on Physical Deterioration. London, 1904, Vol. 1, pp. 13-14.



CHILDREN OF THE SLUMS OF NEW YORK CITY

This picture appeals to the heart of humanity. No one can look at this picture of the children of the slums of New York City, eating one-cent ice cream cones without being impressed with the truth of the old saying, "One-half of the world does not know how the other half lives." (Cape Underwood & Underwood)

the poor, of whom there seem to be an alarming number, are badly nourished, improperly clad, low in weight, under height, and suffering from many physical defects. The picture which this committee of Parliament paints is, indeed, a black one for any friend of England to contemplate.

Nor is this all. The town dwellers are suffering from the effects of town dwelling. The figures show that clearly enough. Ripley, in his "Races of Europe," generalized this fact in these words: "All over Britain there are indications of this law, that town populations are on the average comparatively short of stature. The townsmen of Glasgow and Edinburgh are four inches or more shorter than the country folk round about, and thirty-six pounds on the average lighter in weight. Doctor Beffoe, the great authority on this subject, concludes his investigation of the population of Great Britain thus: "It may therefore be taken as proved that the stature of men in the large towns of Britain is lowered considerably below the standard of the nation" (p. 552).

The city population is suffering severely. The country population is being drained into the city at an alarmingly rapid rate.

There is a surprisingly small amount of rural population left in the British Isles. The Committee on Physical Deterioration places the town population of England and Wales at 77 per cent of the total population. That leaves but twenty-three

of each hundred in the villages and on the farms. Even this small fraction of the English nation, from which the reddest blood was wont to flow, is in a pitiable plight. "Rural England," writes Masterman, "beyond the radius of certain favored neighborhoods, and apart from the specialized population which serves the necessities of the country house, is everywhere hastening to decay. No one stays there who can possibly find employment elsewhere. All the boys and girls with energy and enterprise forsake at the commencement of maturity the life of the fields for the life of the town."¹² Continuing, Masterman cites example after example of the decay of the rural life that remains in England.

The Committee on Physical Deterioration was equally alarmed over the apparent failure of the rural population. They comment on "the withdrawal from the rural districts of the most capable of the population, leaving the inferior to supply their places and continue the stock, the evil being often aggravated, in the opinion of some, by the drifting into the country of the debilitated town population, which is crowded out by the onrush of more vigorous elements. There appears on the face of it to be considerable probability that both these movements are in operation" (Vol. 1, pp. 34-35).

Could a situation be more serious? Perhaps it is

¹² "The Condition of England," C. F. G. Masterman. London: Methuen & Co., First Ed., 1909; Fourth Ed., 1910, p. 190.

most effectively brought out in the data that was presented with regard to school children. Conditions seem to be worst in the largest centers of population. Thus the Committee on Physical Deterioration reports greater extremes between the well-to-do and the poor children in London than elsewhere. In London, the report states, "The difference between the good and the poor types is very grave." The report makes the further point that among the well-to-do the standard for children seems to be about the same everywhere. "The best children are practically equally good in all towns." Among the poor children, however, there is a great difference. "In the case of younger children the worst in London are lower in stature than the worst elsewhere—Manchester, Salford, Leeds. The curves in Manchester and Salford are flatter than elsewhere, due possibly to the wider prevalence of rickets, but associated also probably with the Celtic strain in the population" (p. 73, Appendix).

Taken alone, the problem in England seems to be serious. But it cannot be taken alone. England has competitors. What can be said of the comparative position of the people in the countries with whom England must contend for the markets of the world?

Arnold White and Arthur Shadwell took that matter very much to heart. The British Board of Trade conducted an investigation into the cost and standard of living of the working populations of

the leading industrial countries of the world. The Board of Trade reports make it appear that the British workman is severely handicapped as compared to the workers in competitive countries.

Doctor Shadwell, after a searching personal investigation into the condition of the working classes in Germany, England and the United States, gives it as his opinion that the workers of England are in a position of distinct inferiority. He utters a solemn warning to the people of England, and in the final chapter of his painstaking study he says, in emphatic language, that unless Britain can make some fundamental improvements in the physical and moral standards of her workers, she is helpless in her struggle for world markets.¹³

The conclusions reached by Arnold White, in his "Efficiency and Empire" are no less drastic. Here are some of his phrases: "Britain has four serious rivals, and while none of the four is deteriorating in physical stamina, two of them are actually improving." France has her peasant proprietorship. "Where a successful Englishman of the humbler ranks takes a public-house in a town street, a Frenchman who has saved money buys a bit of land." Germany, he says, "is improving the physique of her people by the wise prevision of her statesmen." In Russia and the United States the people have an abundance of land and they are

¹³ "Industrial Efficiency," Arthur Shadwell. : Longmans, Green & Co., London and New York, 1906.

living on it. "Nations that renounce the strength that comes from living in the open air do not long continue to produce efficient men." "It may be said, our aristocracy and our middle class are generally of good stamina. Granted. But no courage or stamina in the comfortable classes will avail us in the great day of wrath, if the masses are deficient in physical health. Let those who think that England is safe watch the white faces of the street crowds" and "the swarming masses in the untouched slums in the South and East of London, or with the white-faced operatives of Manchester, Northampton or Leicester."¹⁴

9. *Individualism versus Liberty*

Passionately the leaders of British thought proclaimed the doctrine of *laissez-faire*. Individualism was to be enthroned! Liberty was to triumph! Alas, for the disaster!

The individualism of England was based on the law of self-interest—the dominant motive in men's lives according to the accepted philosophy of the time. The doctrine of *laissez-faire* became a weapon in the hands of the propertied classes—a weapon that was used and still is used to repress and confine the individuality of those who are so unfortunate as to have no property.

Under the individualism that developed in Nineteenth Century England, profit-seeking selfishness

¹⁴ "Efficiency and Empire," *op. cit.*, pp. 105-07.

strangled liberty, and the individual was free in name and slave in fact. Poverty, child labor, woman exploitation, squalor and misery all flourished in the name of liberty, and they flourished because they were the basis of handsome commercial profits.

The United States has taken from Great Britain the nomenclature of liberty. She has likewise copied her machinery of exploitation. Here, as in England, squalor, child labor and beggarly wages challenge the boasted prosperity of a nation that tolerates abject poverty side by side with extravagant wealth.

Like Great Britain, the United States must stand in the competition of nations. Space does not permit, nor does the occasion require a statement of the status of individualism in Germany. Only this must be said: There are those who resent the military bureaucracy of Germany because it has trampled upon the feet of liberty. Let the same individuals beware lest the plutocracy of England and the United States trample liberty into the dust.

10. *The Message of Social Science*

We, in America, stand face to face with portentous problems. Our social standards and our social philosophy are both on trial. If they are to survive they must withstand the test of effectiveness.

Democratic institutions are made effective only as the citizenship is intelligent and aggressive. Hear Carlyle as he counsels boldness and courage:

“Strangely enough,” he makes Teufelsdröckh say of his spiritual troubles, “I lived in a continual indefinite, pining fear; tremulous, pusillanimous, apprehensive of I knew not what; it seemed as if all things in the Heavens above and the Earth beneath were but boundless jaws of a devouring monster, wherein I, palpitating, waited to be devoured. Full of such humor, and perhaps the miserablest man in the whole French Capital or Suburbs, was I, one sultry Dogday, after much perambulation, toiling along the dirty little Rue Saint-Thomas de l’Enfer, among civic rubbish enough, in a close atmosphere, and over pavements hot as Nebuchadnezzar’s Furnace; whereby doubtless my spirits were little cheered; when, all at once, there rose a Thought in me, and I asked myself: ‘What art thou afraid of? Wherefore, like a coward, dost thou forever pip and pimper, and go cowering and trembling? Despicable biped! what is the sum-total of the worst that lies before thee? Death? Well, Death; and say the pangs of Tophet too, and all that the Devil and Man may, will or can do against thee? Hast thou not a heart; canst thou not suffer whatsoever it be; and, as a Child of Freedom, though outcast, trample Tophet itself under thy feet, while it consumes thee? Let it come, then; I will meet it and defy it!’ And as I so thought, there rushed like a stream of fire over my whole soul; and I shook base Fear away from me forever. I was strong, of unknown strength; a spirit, almost a

god. Ever from that time, the temper of my misery was changed; not Fear nor whining Sorrow was it, but Indignation and grim fire-eyed Defiance."¹⁵

· · This is the message of social science. Men must learn from the mistakes that other men have made. They must advance along the path that others have indicated. When they come to the end of the beaten path, they must strike out a path for themselves, with full faith and confidence in the results.

Western Democracy is on trial. Its success must depend upon the temper of its people.

¹⁵ "Sartor Resartus."



MAMMON

A grim portrayal of the merciless power of predatory wealth, which crushes the life and aspiration of mankind, both its youth and its maidenhood. (A painting by George Frederick Watts.)

CHAPTER I

THE MAN AND THE MACHINE

1. *The Tool Maker*

MAN has been called the tool-making and tool-using animal. Among living creatures, he alone has supplemented his powers by the use of tools. The tool augments man's possibilities. "Without tools, he is nothing; with tools, he is all," writes Carlyle. Ideas, taking shape in the tool, have placed man far in the lead of his competitors. Even the king of beasts falls an easy victim to his weapons.

With neither defensive armor nor offensive powers, man, without tools, must rank as one of the weakest of earth's inhabitants. Armed with the tool, he is able to place all living things under his domination. Nature and all of her creatures bow before the tool-magic.

The kingdom of man rests upon the tool, which, in its turn, depends upon the thumb, the forefinger and the forehead. Among all the animals, none, except man and the man-like apes, can place the end of the thumb against the ends of all of the fingers; therefore, except for the anthropoids, no animal can make or successfully use a tool. This mechanical

possibility, guided by the light of intelligence that burns in the frontal lobe of the brain, organized and co-ordinated through man's reason, has built civilization.

The tool gives man his power over the universe. He fashions the tool; wields it; owns it.

A sense of possession goes with the fashioning of the tool. The savage who hollowed his canoe from the log or chipped the flint for his spear head owned the thing he had made. It was his because he fashioned it. Men love the work of their hands, because their hands have done the work.

The man who wields a tool feels the power of his mastery. It is his. Backed by the strength of his arm and guided by the light of his brain, it pulsates to its task. He pushes, swings, pulls, directs. The tool user is master of his tool.

Ownership carries with it a sense of proprietorship. The man has fashioned and wielded the tool. He owns it. It is his. The title, the right of possession remains in the man to whom the tool belongs.

The power of the tool, backed by man's master guidance, is the title to his kingdom. He has the earth. He has been told to master it and possess it.

2. *The Tool and the Machine*

The modern tool is the machine. Ever since the first rude wooden spear was fashioned, ever since the first fish bone was shaped into a needle, the first clay was molded into a bowl, and the flint was

chipped and fitted to the arrow; from the most primitive beginnings down to the present day, man has been perfecting the tool. He has seen in it new possibilities and dreamed into it new wonders of invention.

Only yesterday, the man made, wielded and owned the tool. Today—what transformation! The tool has left the narrow confines of its age-long prison and appeared in its true form as a machine.

Between the tool and the machine there is this most fundamental difference. The tool user fashioned, wielded and owned the tool; the machine user neither fashions nor wields his machine. Robert Burns describes the cotter, leaving his work on Saturday night. He “collects his spades, his mattocks and his hoes,” throws them over his shoulder and trudges homeward. How unlike this is the picture presented by modern industry. Even on the farm, in these last few years, the mattocks and hoes have yielded place to plows, cultivators, potato diggers, seeders and a host of other horse-power machinery that performs the work that was formerly the product of the cotter’s back and arms. Carry the parallel one step further and make it in terms of industry. “Collects his electric cranes, locomotive engines, steam rollers and blast furnaces.” The words bespeak the contrast.

Electric cranes, locomotive engines, steam rollers and blast furnaces are machines—intricate, huge, costly. They are the product of an age-long evolu-

tion of the tool—but they are more than the tool. The thumb, forefinger and forehead have made a being that is alive with a tireless, superhuman power.

The machine is intricate. No man can make all of the parts or engage in all of the processes that go to the construction of any one machine. Men do not fashion the machines they use.

The machine is huge. No man can toss it upon his shoulder and carry it to his cot. No man can wield it. The machine is not carried about as was the tool, from place to place. It is not raised or swung or wielded. Instead it is fixed in a place, to which the man comes to do his work.

The machine is costly. No man can own the machinery with which he works. First, because it is too expensive for each man to own, and second, because where many men work with one machine, like a locomotive, if one should own it, another would necessarily be denied ownership. Aside from collective ownership, there is no possibility for the individual to own the machine.

The huge, intricate, costly machine cannot be fashioned, wielded and owned by the man who uses it. The rail mill and the printing press differ essentially from the smith's hammer and the pen. The machine is a super-tool—a new entity—for behind it, within it, driving it relentlessly, are the eternal powers of nature which drive the universe. Jove's lightnings play through the dynamos and

along the wires. Water, earth and air concentrated in the machine, toil for man.

For centuries men have harnessed the wind and the water, but it is only in recent years, with the development in iron and steel making, the use of coal, the steam engine, power-driven machinery, the turbine, the dynamo, organic chemistry and applied mechanics, that nature's powers have been called upon to render effective service. When at last those forces were utilized—when nature was called upon to do man's work in the multitudinous activities of modern industry, the tool had been pushed aside by the machine, which, from that time forward, was destined to heed the beck and call of the human race.

3. *The Possibilities of the Machine*

The machine is the offspring of man's genius and nature's power. Is it to be a ministering angel? Is it to be a Frankenstein monster of destruction? Man has called this thing into being. Can he control the child of his imagination? the creature of his hands? The thumb and forefinger and the forehead have created a new being—the machine. They have bent nature to do their work. Can the forehead still rule the earth?

During untold ages mankind has struggled against want and privation. It was the effort to escape from this struggle that called the machine into being.

The life of man was bitter. In the jungle, on the plain, under the mountain-side, dependent on nature,

he lived, precariously, from hand to mouth, warring continually with the forces by which he was surrounded; or else, a unit in some form of social organization, he earned black bread and a pallet of straw through unremitting toil. Conquest, tribute, slavery, serfdom were means of escape which raised a few above the crudities of the wolf struggle, while they ground the majority of mankind into dust. Many slaves lived lives of hardship and subjection in order that one philosopher might make excursions into the realms of metaphysics, or one author pen his lyrics.

The difficulties in the way of securing a living were so great! The odds against man were so stupendous! It took so much human energy to raise a pitcher of water or a bushel of wheat, to fashion a sword or polish a cup, that a full day of arduous toil produced little more than a bare living. It was only when many men, laboring and living on a very little, gave the surplus of their production to one whom they called "master," that the one man—the master—had freedom and leisure to think, speculate, experiment.

The thinkers believed that they saw a great future for the human race. Could they but find a means of multiplying man's power! That means was first, in small measure, the tool, and later, in immense proportion, the machine.

The machine has vanquished that most ancient enemy of mankind—famine. The machine has made want and privation eternally unnecessary. The

industrial régime produces enough for all. No stomach need be empty, no back naked, no head shelterless. The machine has given man a hundred hands where before he had only two. Flour, woollen yarn, leather, clapboards, may be had in ample abundance. If each man will do only a moderate amount of labor, the people of every country that employs machinery would be provided with all of the necessities of life.

The supply of these necessities can be insured without overwork. There is no need for a twelve-hour day. The users of machinery may be well supplied with all things needful to life with a few hours work each day, leaving ample time for the unfolding of the human spirit.

Leisure is as much a product of the machine as are bread and shoes. The command, "In the sweat of thy face shalt thou earn thy bread" is so mitigated by the powers of the machine that men may earn a generous living and have time to play and think in the same number of hours that formerly produced a bare subsistence.

The machine augments the possibilities of life. By multiplying human productive power it increases the number of things that man may have at the same time that it enlarges his possibility of leisure.

4. *The Fruits of the Machine*

What has the machine done? With so vast a possibility there should have gone some measure of

achievements. Machinery has multiplied human productive power. Has it, at the same time, augmented health and happiness?

The machine has led, as might readily have been predicted, to the piling up of phenomenal masses of wealth. Man's productive power has been multiplied by marvelous achievements. New resources are utilized. Old ones are employed to better purpose. New methods, improved devices, save labor, time and energy, while they increase output.

The change in the method of bread-baking gives an excellent idea of the advance in productive efficiency. Once or twice each week, in the old-time home, came baking day. The fire was tended, the oven made hot, and the dough, raised over the previous night, was kneaded, cut into loaves and set into the pans.. The housewife baked her bread with simple hand tools. Even when the baking was a complete success the toil was severe. But the baking was not always a complete success; failure was frequent, and the "bread that mother used to make" was frequently heavy and unpalatable. It is in the modern bread factory that bread-baking is put on a permanently expert basis.

The successful factory bakers make and keep on hand a good supply of first-class yeast. This yeast is mixed with the flour and other ingredients of the bread in accordance with an exact formula which represents the result of years of study and experiment. When the bread is ready for the oven, it is

brought in great troughs and dumped into the hopper of the bread machine. The machine first cuts the dough into proper-sized loaves, sprinkling flour on each piece. Then these loaves pass into the part of the machine that rolls, kneads and shapes them. They are then dropped into the pans, which are taken by an endless carrier to a chamber kept at a certain temperature where the dough rises; to a second and third chamber, and then into the oven. After about three-quarters of an hour in the oven the bread is dropped out, perfectly baked, passed into a machine, wrapped in paper and sent out to the trade. Nearly two hours have elapsed since the bread entered the machine as dough. During that time, no hand has touched it, but, in the course of its thousand-foot journey, it has been made into high-grade bread, in a machine tended by a dozen men whose sole duty it is to see that the machine does its work. The housewife, in a day's baking would make a dozen loaves of bread. This machine makes fifty thousand loaves in the course of a night.

The bread machine is complex, intricate, huge, costly. An outlay of a hundred thousand dollars is necessary to install one machine; but once at work, under proper direction, it increases the productive power of human energy to an extent that is almost unbelievable.

The bread machine, invented and perfected by the human brain, and guided by the human hand, spells plenty for the sons of men. If grain can be

raised in sufficient quantities, no one, henceforth, needs to suffer for lack of the facilities for converting that grain into a usable form.

The bread machine is an individual unit in the productive mechanism. The power of mechanical production is illustrated even more strikingly in great unified industries that have sprung into being during the past half century. Among these, none yields more wonderful results than the steel industry.

There was a time when iron ore was dug from the ground with pick and shovel, loaded on wagons, hauled to a furnace, and after an immense expenditure of energy, converted into pig iron. This pig iron, in turn, was reheated and made into some form of wrought or cast iron or steel.

The modern steel industry is built on machinery. The iron ore is dug from the Superior mines by a steam shovel, thrown on cars that run to the lake front by gravity, dumped into pockets that shoot the ore directly into the hold of the ore steamers which carry it to one of the lower lake ports, picked up from the holds of the steamers by great grab-buckets and thrown on cars, carried to the blast furnace, emptied on the ore dump, shifted by an endless conveyor up into the furnace, and there, with coal and limestone, under a forced draft of heated gas and air, made into molten iron. Without more ado, this molten iron is carried to the converter, turned to steel, poured into molds, run over to the rolling mill, passed through the rolls, and

dropped out on the pile as a finished rail. In this whole process, from the ore mine to the rail pile, the lifting and carrying, heating, hammering and rolling has been done by machinery. In the entire process human hands have played no direct part. Only with lever, switches and mechanical devices, they have busied themselves in guiding the titanic powers of nature.

Man's hand is no more mighty than it was in past ages, but, backed by the tireless energy of machinery, it is able, with but a slight effort, to turn out products that even the strength and cunning of Siegfried could not have forged.

The United States Bureau of Labor tells the story in figures. Twelve-pound packages of pins can be made by a man working with a machine in 1 hour 34 minutes. By hand the work would take 140 hours 55 minutes. The machine is ninety times quicker than the hand. Furthermore, "the machine-made pin is a much more desirable article than the hand-made" "A hundred pairs of men's medium grade, calf, welt, lace shoes, single soles, soft box toes, by machine work take 234 hours 26 minutes; by hand the same shoes take 1,831 hours 40 minutes. The labor cost on the machine is \$69.55; by hand, it is \$457.92. Five hundred yards of gingham checks are made by machine labor in 73 hours; by hand labor in 5,844 hours. One hundred pounds of sewing cotton can be made by machine labor in 39 hours; by hand labor in 2,895 hours.

The labor costs are proportionate" The same facts hold true of agriculture. A good man with a scythe can reap one acre a day; a good reaper and binder does the same work in 20 minutes; six men with flails can thresh 60 liters of wheat in half an hour. One American thresher can do twelve times as much (740 liters). Commenting on these and similar figures, the government report states: "The increased effectiveness of man-labor, aided by the use of machinery, . . . varies from 150 per cent, in the case of rye, to 2,244 per cent, in the case of barley. From this point of view, a machine is not a labor-saving but rather a product-making device"

This, then, is the machine—a thing conceived by man's inventive genius and utilizing nature's power to supply human needs. The machine is man's energy and strength, multiplied many times.

5. *The Industrial Revolution*

The machine is the unit out of which the Industrial Régime has been built. The process of its building has reconstructed society. Machine, factory, plant, city, railroad, financial institution, are the steps in the evolution that has produced the Industrial Régime.

Before the coming of the machine, the individual craftsman was the unit in industry. He could make a shoe, a hat, a piece of cloth, from the raw material to the finished product. Such a craftsman single-handed could turn out industrial products.

The power-driven machine entered the field. The craftsman laid aside his hand tools, left the home work shop and went into the factory. The step was inevitable. Power was the essential element in this new type of industry, and power could be used effectively only where many machines were brought together under one roof. The factory became the new unit of industry. No individual worker in the factory made a complete product, but each one, occupied in some specialized task, worked, under the factory management, on a basis of division of labor. The craftsman disappeared, because, instead of making a shoe, he was tending a machine that performed one small operation in the whole process of shoemaking.

The factory began as a small affair, employing a few score persons. It has grown in scope until it employed hundreds and thousands.¹ The craftsman

¹ The last census gives a table showing the number of persons employed in the factories of the United States in 1910.

TABLE I.—WAGE-EARNERS IN THE MANUFACTURING INDUSTRIES,
CLASSIFIED BY NUMBERS OF WAGE-EARNERS.

Establishments Employing.	Number of Establishments	Average Number of Wage-Earners.	Per Cent of Total	
			Establish- ment.	Wage- Earners.
5 wage-earners or less....	164,001	311,704	61.1	4.7
6-50 wage-earners.....	80,742	1,405,201	30.1	21.3
51-100 wage-earners....	10,964	782,298	4.1	11.8
101-500 wage-earners....	11,021	2,265,096	4.1	34.2
501-1,000 wage-earners..	1,223	837,473	0.5	12.7
Over 1,000 wage-earners..	540	1,013,274	0.2	15.3
Total.....	268,491	6,615,046	100.0	100.0

lived at home in a small village or town. His workshop was in his house or near it. There was no point in moving to town for work.

The factory worker leaves his home and goes to the factory. He cannot live too far away, otherwise the walking is impossible in bad weather. A factory with a hundred people makes a village of three hundred souls, counting families, stores, traders and all. Ten such factories make the beginnings of a city. One large-sized steel works, employing ten thousand men requires a city of forty thousand to supply it with workers. The growth of factories carries with it, necessarily, the growth of cities.

Then, too, industries attract industries. Here is a center of shoe manufacturing. What better place for the establishment of a plant for the manufacture of shoe-making machinery? The machine industry is under way, and the demand quickly leads to the building of a foundry. Industry draws industry. The village becomes a city; still other factories come and the city spreads and converts the neighboring farm land into sites for factories and homes.

The city is making shoes—a hundred times as many as those who live in it can wear. There must be some means of disposing of them. The shoe jobbers come into being. The shoes must be shipped to distant parts of the country. The railroad plays its part. The city has made itself indispensable to a hundred other cities, by making shoes for their citizens.

Meanwhile, the people of the city, engaged solely in the manufacture of shoes, must be fed, clothed, housed and educated. To do this, the people of the hundred other cities make flour, woolen cloth, furniture and school books, and exchange with the people of the city which makes shoes.

The factory is the unit of production, but it has built up a new social unit—the industrial city. The industrial city, depending on its neighbors for an exchange of products, becomes a unit in the industrial community. The railroads, telegraphs and telephones tie the community together. State boundaries and national lines alike become superfluous. The people of the world have been joined by their interdependent industrial activity.

The machine created the factory; the factory urbanized the village; the railroad bound together the scattered units into a closely knit community.

There is another factor, not yet considered, which is of the utmost importance. While the machine was creating the structure of modern industrial society, the business world was occupied in securing a control over it.

The steps in the establishment of business control were logical and inevitable. First the factory, with its mechanical power and simple division of industry, was made the unit in large scale industry. A man no longer controlled a factory. Instead, he had a "plant," or several factories. In modern parlance, he had a "battery" or a "brigade" of factories,

each one of which played its part in the work of the entire establishment. Then the plant was made the unit in an integrated industry—that is, an industry that controlled all of the stages of production from the raw to the finished product.

These steps in industrial organization may be illustrated from the steel industry. A man has a mill in which he makes bar iron. He decides to add a mill in which bar steel is made and another mill in which structural steel is made. These three separate factories, built together, make up a plant. A larger idea is conceived. Iron mines, coal mines, coke ovens, railroads, blast furnaces and steel converters are all bought up by one group of interests and integrated with the bar and structural steel mills. The same industry now includes all of the steps in the production of steel from the ore in the mines to the finished structural steel.

This represents the contribution of the organizers of industry. Now there come the organizers of finance, first with combination and then with “spheres of influence,” to borrow a phrase from the language of diplomacy.

The combination is a union of similar industries. A number of steel industries had secured control of their raw material. These industries were merged in the United States Steel Corporation, which was one of the many combinations, or “trusts” as they were popularly called, that combined like industries. There were the sugar, oil, steel, plate-glass, harvester

and many other combinations, each in greater or less control of a given industry.

Then the financial world took its last step in the organization of the Industrial Régime, by bringing together unlike industries.

The process was colossal but simple. The prime essential was a group of banks, trust companies and insurance companies that would provide the necessary money and credit. With this financial backing as a basis, great integrated industries, trusts, combination of industries, railroads and municipal utilities were brought under the same "control" or "sphere of influence." They were not bought outright. Fifty-one per cent of the stock gives absolute control. But even stock purchase on a large scale was not necessary. Often adequate representation on the board of directors was the only thing needful.

The power of the Rockefeller interests and the Morgan interests is built in that way. It is neither a "trust" nor a combination, but a co-ordination of all of the elements in the industrial and financial world, under the control of one small group of individuals, or even around one powerful individual.

This is the Industrial Régime, and the small coterie of men who are at the center of financial control exercise whatever dominion is exercised over its affairs. Power, control, rule, government—which word must be used to characterize the part played in the affairs of the community by these few

mighty ones, in whose hands there is concentrated the influence over so vast a field?

6. *The Growth of Riches*

The machine multiplies man's productive power. The co-ordination of industrial units leads to increased efficiency. Then the past half century of machine industry and of industrial organization, combination and concentration should have witnessed a great increase in wealth.

The records of wealth-increase during the years that they are available almost pass belief. Many thinking men believed, in 1860, that the high point in productive efficiency had been reached. Since that time, the wealth of the United States, as estimated by the census officials, has increased twelve-fold.

TABLE II.—THE TOTAL WEALTH AND TOTAL POPULATION OF THE UNITED STATES, 1850-1912.²

	Total Wealth.	Per Capita Wealth.	Total Population.
1850.....	\$7,135,780,000	\$308	23,191,876
1860.....	16,159,616,000	514	31,443,321
1870.....	30,068,518,000	780	38,558,371
1880.....	43,642,000,000	870	50,155,783
1890.....	65,037,091,000	1,036	62,947,714
1900.....	88,517,307,000	1,165	75,994,575
1904.....	107,104,202,000	1,318	82,466,551
1912.....	187,739,071,000	1,965	95,410,503

The wealth of the country in 1850 was a little more than seven billions. By 1912 it had risen to a

² Statistical Abstract of the United States, 1914, p. 628.

hundred and eighty-seven billions. Although the population was only about four times as great in 1912 as it was in 1850 the total wealth of the country was twenty-five times as great. From the time when the earliest settlers landed, and when the wealth of the country was practically zero, for two centuries, the hand of man delving into nature's storehouse had raised the wealth of the country to seven billions. It is unfortunate that the wealth figures do not run back to 1800, for then, when there was no machine industry the true progress of man, aided by the tool, might have been seen. Ignoring this, however, and assuming that the years up to 1850 were tool-using years, the wealth increase brought about since that time is little short of marvelous.

The immense increase in the total wealth has its parallel in the increase in the per capita wealth. The wealth of the country per person was three hundred dollars in 1850 and almost two thousand dollars in 1912. This does not mean that each of the people in the country had that much wealth in 1912. Far from it! It simply means that if the total wealth of the country is divided by the total population, the result shows more than six times as much wealth per person in 1912 than there was in 1850.

The machine has infinite possibilities. It has fulfilled its promise by creating immense masses of wealth. The machine has done what it was expected

to do. There remains man, the creator of the machine, and the relations that have sprung up between the creator and the creature of his creative power.

7. *Man—the Machine Tender*

The machine has converted man the tool user into man the machine tender. Markham's "Man with the Hoe" was master of his tool. "Bowed with the weight of centuries, he leans upon his hoe and gazes on the ground." Yet, when his contemplation was over, he could shoulder the hoe and take it home. He could wield it, repair it, duplicate it. It belonged to him.

Man, the tool user, could fashion, wield and own his tool. Not so, man the machine tender. He is brought face to face with giant forces and mighty mechanisms. The tools of industry are no longer stored away beside the peasant's cot. Instead they are kept in the factories and plants where the work of the world is now done.

The tap-tap of the home workshop has been replaced by the roar of the modern workshop—the industrial world. The vast mechanical devices, symbols of man's ascending power, speak in stentorian tones the watchword of the modern world.

Many people have attempted to interpret the language of the machine. None have succeeded better than did Giovannitti, when he wrote of the "furious song of human toil." "Whirred the wheels

of the puissant machines, rattled and clanked the chains of the giant cranes, crashed the falling rocks, the riveters crepitated and glad and sonorous was the rhythm of the bouncing hammers upon the loud-throated anvils.

“Like the chests of wrathfully toiling Titans, heaved and sniffed and panted the sweaty boilers, like the hissing of dragons sibilated the jets of steam, and the sirens of the workshops shrieked like angry hawks flapping above the crags of a dark and fathomless chasm.

“The files shrieked and the trains thundered, the wires hummed, the dynamos buzzed, the fires crackled; and like a thunderclap from the cyclopean forge roared the blasts of the mines.

“Wonderful and fierce was the mighty symphony of the world, as the terrible voices of metal and fire and water cried out into the listening ears of the gods the furious song of human toil.”³

The tool was wielded by the man who used it, but these thundering, puissant machines dominate the human beings who tend them. They are energized with an everlasting power. They are tireless and wholly without pity. They make the pace which the man and woman who work with them must follow.

Here is a plant in which they are packing pork and beans. The cans, filled with beans pass close

³ Arrows in the Gale. “The Cage.” Arturo Giovannitti, Hillacre Bookhouse, Riverside, Conn.

before you, fixed on an endless carriage. As each can passes, you must slip a piece of pork in it; Failure means loss of wages or even loss of job. The machine is geared high. The cans move rapidly, and ten hours each day you devote to the endless task of getting a piece of pork in every can of beans that passes over your table.

You sit down before a sewing machine that is run by electric power. You are putting the main seams in overalls. You reach over to the left of the machine, seize the two parts that are to be sewed together, place them side by side, push them under the needle, throw on the power, and for a moment the needle tears across the fabric at the speed of two thousand revolutions a minute. The piece is done; you break it from the thread, throw it into a box on the right of the machine, snatch two other pieces of goods and go on with the work as before. You are paid for the work at a piece rate that is set at a point which will enable you to make a living if you are quick and persistent at your task. There is no danger that you will loiter, for behind you, driving you to constant exertion are the want and hardship that go with low wages and perhaps the loss of a job.

You work in a packing house, in the department where the sheep are skinned. The carcass of the animal is swung up on a hook that grips an endless carriage that is geared to move at a certain pace. The carcasses come slowly down the side of the room where you stand. As each one passes you,

you must reach out, seize the fore-leg, slit the hide around the knuckle, and pull it back, ready to be torn away from the leg by the man next to you. You do that twice on each carcass, and by the time you have finished with one carcass, another has been brought to you by the endless carriage.

There are perhaps fifty men engaged in the one occupation of taking the hide from a sheep. Each man's task is cut out for him. The speed at which he must do his work is fixed by the speed at which the machine brings the carcasses down the side of the room. That speed is so arranged that everyone is kept busy most of the time.

There is a boy doing piece work. He sits in front of a revolving table, putting nuts onto bolts. He picks up a nut, places it upside down on the table; picks up a bolt, presses it against the revolving nut, which passes up on the thread of the bolt; picks up another nut, places it upside down on the revolving table; picks up a bolt and presses it against the nut; picks up another nut, threads it on a bolt, and so on through the twelve hours of his "shift." If he is quick, he can finish about eight hundred bolts an hour. He receives ten cents a thousand for the work.

This man is fastening the spokes into the iron eyelet that forms one side of the hub of a baby coach. He reaches for an eyelet, slips it to its place on the die, brings two pieces of bent wire that are to be the spokes and drops them into place with his

right hand, drops a third piece of wire in place with his left hand, presses a treadle with his foot; the machine drops a die that fastens the six spokes securely into the eyelet; the man throws the completed work on a pile, reaches for another eyelet and repeats the process. There are seven hand motions and one foot motion required for each operation. The experienced operator turns out 20 pieces a minute; 1,200 pieces an hour, 10,000 pieces a day. In a week this machine tender repeats his series of eight motions from 50,000 to 60,000 times. What a prospect, at one week end, to contemplate for the coming week—fifty thousand repetitions of an habitual action! It is the price this man must pay for his daily bread.

The soul that should expand through the creative effort of craftsmanship; the mind that should be occupied with the educative processes of constructive work; the hand that should be trained to follow the behests of the soul and obey the directions of the mind; the stream of the man's consciousness—his whole being are prostituted to eight motions repeated, repeated, repeated until the imagination grows dizzy, as in the contemplation of infinity, with the difference that here it is affrighted by an infinity of littlenesses.

The tool user made his tool, wielded it and owned it. The machine tender is using a machine made by other workers in highly specialized factories. He no longer wields the tool. Instead, leaving his home,



WOMEN WORKERS IN A LYNN SHOE FACTORY

This picture shows the conditions under which some women work. The machines are placed as close together as possible, in order that the maximum production may be obtained from the floor space. (Photo, Underwood & Underwood, New York.)

he goes to the place where the tool is, to work with it there. As an individual, the tool user cannot own the machine that he uses. One machine—a blast furnace, for example—is used by many men, and is useless unless many men use it. The machine is a social tool—depending for its efficacy upon the co-operation of many people.

The machine is social in nature, as the tool was individual. Many men work with the machine. If one man be permitted to own it, he has a potent advantage over his fellows which may enable him to dictate to them the terms under which they shall work, and to compel them to pay him a part of the product of their labor because he owns the machine. They must make a living. That means, nowadays, that they must work with machinery. The machine owner has an advantage because he owns the means of another's livelihood. His exercise of that advantage is called exploitation.

The feudal lord exploited his tenants through his ownership of their means of livelihood—the fertile land. The modern world depends for its living upon machinery instead of upon agricultural land, and therefore the owner of machinery is in a position similar to that of the land owner in feudal Europe.

The tool user was master of his tool. He could wield it. It was his. The machine tender cannot wield his machine. Instead, he gears himself to meet the pace which the machine sets.

There is something fundamentally vicious about

this process of setting the man to keep the pace of the machine. The tool user worked according to his own volition. When he struck a blow with his hammer, he did so because he wished to strike. His emotions and his will were guiding principles. He was a free man!

The machine tender does his work in time with the machine. He must accept its pace and follow its lead if he is to keep his job. He is under coercion by the machine.

Those who insist on liberty and resent despotism may see in the machine a means of coercion that surpasses all of its predecessors in effectiveness and finality.

8. *Caught in the Levers and Cogs* ¹

The man who takes a place in the modern Industrial Régime becomes a unit in a highly organized system. He is a unit, an unessential unit, because he can be easily replaced. He is working under the direction of a great industry. There is little contact between the men at the top and the men down below.

The stops and gears are set. The machine is started. To paraphrase Lord Nelson, "Machinery expects every man to do his duty." His work is cut out for him.

This relation between the individual and the Industrial Régime led G. Lowes Dickenson to write in his "Letters from John Chinaman,"⁴ "Your

⁴ London: R. Bromley Johnson, 1903.

capital is alive, and cries for food; starve it and it turns and throttles you. You produce, not because you will, but because you must" (p. 14). "You have liberated forces you cannot control; you are caught yourselves in your own levers and cogs. In every department of business you are substituting for the individual the company, for the workman the tool" (pp. 13-14).

There is much justification for this charge. The human race has been extensively victimized by its industrial forces. Instances may be picked up, almost at random, of the manner in which industrial tyranny manifests itself.

At times the work which is done by the machine tender is long continued as well as arduous. The steel industry is still on a basis of very long working hours. The investigators who made their report in 1912⁵ found that "during May, 1910, the period covered by this investigation, 50,000, or 29 per cent, of the 173,000 employees of blast furnaces and steel works and rolling mills covered by this report, customarily worked seven days a week, and 20 per cent of them worked 84 hours or more per week, which, in effect, means a twelve-hour working day every day in the week, including Sunday. The evil of seven-day work is particularly accentuated by the fact, developed in the investigation, that the seven-day working week was not confined to the blast furnace

⁵ Report on Conditions of Employment in Iron and Steel Industry, 62d Congress, 2d Session, Senate Doc. 301, pp. 8-10.

department, where there is a metallurgical necessity for continuous operations, and in which department 88 per cent of the employees worked seven days a week; but it was also found that, to a considerable extent, in other departments where no such metallurgical necessity can be claimed, productive work was carried on on Sunday just as on other days in the week. . . .

"The hardship of a twelve-hour day and a seven-day week is still further increased by the fact that every week or two weeks, as the case may be, where the employees on the day shift are transferred to the night shift, and *vice versa*, employees remain on duty without relief either 18 or 24 consecutive hours. . . .

"Even in the blast furnace department, where there is a metallurgical necessity for continuous operation day and night throughout seven days of the week, there is practically nothing except the desire to economize in the expense of production that has prevented the introduction of a system that would give each employee one day of rest out of seven.

"Approximately 14 per cent of the 173,000 employees work less than 60 hours per week and almost 43 per cent work 72 hours or over per week."

The New York Factory Investigating Commission reports frequent instances where long-continued labor is required even of women.⁶ In one case that

⁶ Report of New York Factory Investigating Commission, January 15, 1913, p. 242.

is on record, a girl of twenty-three worked in a magazine bindery from 8.30 A. M. until 5.30 the next morning. "She was employed to fill the boxes of a gathering machine in a magazine bindery. She worked from 8.30 A. M. until 5.30 P. M. with a half hour at noon. She began again at 6.30 P. M. and worked until midnight. After a recess of thirty minutes she continued her day's task until 5.30 A. M." On the next page the report continues: "The United States Bureau of Labor in its report upon wage-earning women confirms our foregoing assertion of the existence of these excessive hours of labor of women in bookbinderies. In one bookbinding establishment in New York City agents of the government found girls employed overtime from 16 to 24½ continuous hours, once and sometimes twice a week, during a period of from sixteen to twenty-four weeks."

Here is the testimony of the manager of one New York canning factory:

"Q. According to your time sheet which you have produced of July 10, 1912, which is Wednesday, Mrs. D. began work at 6.45 in the morning that day. Is that right? A. Yes.

"Q. And she finished at 2.30 the following morning? A. Yes.

"Q. Working 19¾ hours? A. Of course she had one-half hour out for lunch and supper that we gave her. . . .

"Q. You produce the time sheet for the date of

July 11, 1912, and I find the same Mrs. D.—that is the same one, is it? A. Yes; 16 hours.

“Q. And she began that morning at a quarter of seven and stopped at 12 o’clock, and she began at one o’clock—that was her lunch hour? A. Yes; she had an hour out.

“Q. You didn’t pay for that hour? A. No.

“Q. Then she stopped at six and started at seven; you didn’t pay for that hour? A. No.

“Q. She stopped at quarter of one in the morning? A. Yes, sir.”⁷

There is another phase of the work of the machine tender that cannot escape mention. The machine does not need sleep at night. It is as tireless on a twenty-hour day as it is on a ten-hour day. Consequently the factories and mills frequently work both by day and by night. The time when the poet can find the world asleep never comes in a great center of industry and commerce. All night long the trains move back and forth, the glow of the glass factories and of the steel mills redens the night; and all night long men go to and from the never-ending work of the world. . . . Ours is a twenty-hour civilization.

Certain industries have an excuse for night work. The cessation of activity leads to a heavy loss of the product. Other industries work at night because it pays better.

⁷ Report of New York Factory Investigating Commission, January 15, 1913, p. 244.

The New York Commission has a great deal to say about the work of women at night in New York State. Writing of the night shift in a twine works, the Commission says: "Most of the women on the night shift are married. The appearance of the women workers is very disheartening. They are stolid, worn looking and pale. Their clothes, faces and hands are covered with oil and hemp dust."⁸ "Among 100 of these women, 80 were between twenty and thirty years of age; 62 of the hundred were anemic. All of the operatives worked standing. . . . Dust is the predominating evil. . . . There is considerable dust in nearly all parts of the mill. . . . It fills the preparing room where the hemp bales are opened and the hemp prepared. . . . The dust in this department is so thick that the clothes and caps of the women are completely covered with it."⁹

The work is surrounded by discomfort. "The clatter of the machinery here is so frightful that a voice can hardly be heard below a shriek. . . . The spinning room in the basement is eight or nine feet high. . . . The watchman says that on very hot nights the temperature on the top floor is 108° F."¹⁰

The reports of severe working conditions come from industries that employ men as well as women.

⁸ Report of New York Factory Investigating Commission, January 15, 1913, p. 235.

⁹ *Ibid.*, pp. 237-38.

¹⁰ *Ibid.*, p. 238.

Here is a description from the steel industry:¹¹ "Their first working position is the cupola-charging floor, upon which the men who handle the raw materials for the cupola work. When the outside temperature was 81 degrees, the temperature of the charging floor was 117 degrees, to which temperature the men were subjected during the whole of their twelve-hour turn, except for the short periods, totaling approximately three hours, in which they were free to rest. While resting, they were still in a temperature of 104 degrees." After giving a description of the various other occupations, the report continues: "As will be seen from the records of actual readings, the men in testing and working the heat and in repairing the furnaces are exposed to this terrific heat of upwards of 150 degrees. This exposure lasts but a short time, it is true, but the heat is exhausting even under the best of conditions. The best conception of the conditions during this work is given by the following notes of one of the agents of the Bureau:

"Heat conditions and amount of work done in making bottom. . . . Began work at South end at 2 P. M. Work as follows: Four men pass in regular order to dolomite pile 12 feet from furnace, get shovelful of dolomite (20 pounds), walk to furnace door, pause to see where material is needed, throw in shovelful of dolomite, walk back to pile. . .

¹¹ "Conditions of Employment in the Iron and Steel Industry." U. S. Bureau of Labor, Government Printing Office, 1913. Vol. III, pp. 304-13.



WORKROOMS OF THE POOR AND THE RICH

Men in a Pittsburgh Steel Mill are shown in the upper picture, running a 500 pound lump of white-hot metal from the furnace to the hammer. (Hine Photo Co.) Their working conditions are not so pleasant as those of the multi-millionaire whose private office is shown below. Here the sound-proof walls are panelled with rare woods. The furnishings are simple but costly and luxurious. (Courtesy of "System.")

Work regularly, but without hurry; each man averages four shovelfuls in three minutes. Exposed to extremely high temperature constantly. Gunny sacks containing magnesite, 12 to 14 feet from furnace, smoking constantly. One caught fire and blazed up. Men were in this zone during entire time they were at work. Finished at South end 2.09 P. M. Rested six minutes on bench back of charging track. . . . All young men at this plant.' The recorded temperature under which these men were at work was 220 degrees plus. Water boils at 212 degrees."

The machine is exacting, implacable. Long hours and high temperatures are to it a matter of utter indifference. The machine works by night and by day under conditions that are humanly impossible, yet human beings are asked to keep the pace which the machine sets.

These are but a few of the many discomforts that surround the work of machine tenders. No mention has been made of the more vicious features of machine tending, which are an incidental and not an integral element of industrial life. The high accident rate and the industrial diseases so prevalent in some industries have in many cases been caused or intensified by the coming of the machine; nothing has been said of the child labor that the machine has made possible. Rather, it has been the aim to show that the machine is a pacemaker, shod with seven-league boots; a taskmaster, relentless and

implacable. Monotony, speed, intensity, strain, all are incident to work in which the rate is set by the power of the machine rather than by the ability of a worker to keep the pace.

The machine is the dominant factor in industry. It is expensive; it must be used to its full capacity; it is made to turn out product—take these things together, and the worker finds himself serving the machine—caught in the levers and cogs.

9. *Worker and Product*

The hand-craft worker, using the tool, had received an education in his trade. Apprenticeship was an efficient school, and the boy who was apprenticed at twelve to a saddler, at twenty was a journeyman who knew his trade. The years spent in drudgery and in educative work had yielded, as produce, a man who could turn out a saddle.

The apprenticeship method of trade education gave to the worker training, confidence, independence and a pride in his workmanship which is of supreme importance in the doing of good work.

The machine tender, engaged in doing highly specialized work, receives little training; he is not a craftsman, and, above all else, he is denied the pride in good work which comes only when a man makes a completed product.

The child says, "It is mine. I made it," and the ring of pride in his voice when he says, "I made it," finds an answer in the heart of every human

being who has created anything. The creation need not be elaborate. It may be of the very simplest description. Yet, throughout the human race the instinct of workmanship manifests itself in a pride that the thing has been done.

The machine tender makes no products. He bores holes, planes a surface, polishes a cup, files a corner, varnishes a button, shapes a shaft. He and a thousand others, working with him, turn out a gas engine, a sideboard, a spring or a saw. Here and there a workman plays a large part in making the output. For the most part, the machine tender, with his machine, performs one small operation on the completed product.

The instinct of workmanship is the basis of industrial morality. The soul of sound industry lies in this pride which a man feels in his work.

Many attempts have been made to preach duty to the organization as a substitute for the workmanship instinct. Such morality has proved a sadly defective antidote for clock-watching, and in consequence piece rate systems and bonus systems are depended upon to drive the machine tender where the spirit of workmanship led the tool user. Again coercion is substituted for volition, and with equally bad results.

The machine tender suffers another loss. He is separated from his product.

The hand worker very frequently used the things that he made. If he did sell them, it was to people

in his immediate neighborhood with whom he was well acquainted. He and his friends and neighbors used the things he made.

The machine tender makes things for others to use, and when he makes the product, he has no idea who will use it. The shoe-worker in Brockton and the pork-packer in Omaha, work for the world. They do not use the things they make, and they never see or know the user. The machine tender makes things for other people to use, and the gulf between him and those others is so great that they have no human meaning for him. Kipling notes the problem in his "Sons of Martha" when he writes of the relation between those who make the good things and those who use them.

"They finger death at their glove's end when they piece
and repiece the living wires;
He rears behind the gates they tend, they feed him,
hungry, beside their fires
Early at dawn, ere men see clear, they stumble into his
terrible stall
And hale him forth like a haltered steer, and goad him and
turn him until evenfall.

"They do not preach that their God will rouse them a little
before the nuts work loose;
They do not preach that his pity allows them to leave
their work whenever they choose,
And in the thronged and enlightened ways. So in the
dark and desert they stand,
Wary and watchful, all their days, that their brethren's
days may be long in the land."

The machine tender—a little unit in a large organization—does not understand the whole of which he is a part. He does not know the drama in which his rôle is that of supernumerary. He must be a machine tender because he must live, but of the significance of it all, he is ignorant.

Against this subordination of the individual and his intelligence the world shouts its resentment. Says Emerson: "Give us worse cotton, but give us better men," and Carlyle exclaims, "Deliver me those rickety, perishing souls of infants, and let the cotton trade take its chance." It is for the happy, noble human beings of Ruskin's prophecy that the world is striving and it has grown impatient of an industrial order that sacrifices human happiness to the interest of material progress.

10. *Spiritual Values*

Behind all human purpose, in its larger scope, is the conservation of spiritual values. Even the simplest necessities of life must at times be sacrificed in the cause of those higher things—truth, justice, mercy, beauty. How much more readily will comforts and luxuries be sacrificed if they are built upon foundations of human degradation!

The man cannot be sacrificed to the machine. The machine must serve mankind, yet the danger to the human race lurks, menacing, in the Industrial Régime.

The issue is strikingly stated in some verse

written by "Don Marquis" for the Atlanta *Evening Journal* after the defeat of a Child Labor Bill in the Georgia Senate. The author says to the Senators:

"You and I had our play time, if it was only a few brief
years,
When we dreamed and wondered and laughed—we can
look through a blur of tears,
Back to the meadows of childhood, where through the
golden haze
Still move the deathless visions that graced those careless
days,—
But from these you would filch their spirits, a thing even
God can't replace,
The power to dream, all the gift of their first youth's
nameless grace.

"Better a pauper, penniless, asleep on the kindly sod,
Better a gypsy houseless, but near to the heart of God,
That beats for the ear not dulled by the clanking wheels
of care;
Better starvation and freedom, and hope and the good
sweet air;
Than death to the something in him that was born to
laugh and dream,
That was kin to the idle lilies and the ripples of the
stream
For out of the dreams of boyhood, the visions that come
and go,
The Boy gains strength unknowing, that the Man shall
prove and know,
The crystal cistern of mirth must be filled to the brim
in May
If the soul is to faint not nor perish in the heat of the life's
later day.

"In crushing the blossom of hope, ere it blooms in the
 heart of your youth,
 You are crushing your commonwealth's future, you fools
 sans sense or ruth.
 Dull-eyed, weary and old—old in his early teens,
 You are flinging his future and life to the maw of orute
 machines;
 And dumb the heart of him now. at the time when his
 heart should sing:—
 Are you making slaves or men. what hope will the future
 bring?
 Twisted and stunted and stupid, and moiled in your mills
 of grief,
 Can your spindles spin from this remnant a man, a man
 and chief?
 Fools, with your mills and your dollars. your lies and your
 bloody hands,
 Who make a God of a wheel, who worship your whirring
 bands,
 Go spin, spin, spin,—bow down to your spindles then,
 Tatter to shreds the human threads that were meant for
 the weaving of men
 But ever the Silent Spinners spin early and spin late
 Ye fools, have ye never heard of the Sisters Three of
 Fate?"

If the forebodings of some people are justified—if
 the machine threatens to inaugurate a new system of
 slavery that shall degrade man to the service of
 mechanical processes, then, indeed, the revolt which
 Don Marquis voices is justified, and the sooner it
 comes the better for the human race.

11. *The Lilies of the Field*

The picture must not seem too dark. All are not subject to the rule of the machine. An element of craftsmanship remains. Many benefit unqualifiedly through the Industrial Régime.

The machines must be designed and made. Improvements are always possible. Every industry requires a quota of skilled men. In some industries this quota constitutes a large majority of all of the people employed. For the most part, however, the large, highly organized industries of the country are manned by great numbers of unskilled and semi-skilled workers to whom some simple task involving neither craftsmanship nor skill is allotted. They make up the bulk of the workers in the ordinary factory, and for this majority industry is a hopeless treadmill.

There is another side of the picture. The present organization of industry makes it possible for some to live in ease and comfort without working, while the rest of mankind is engaged in hewing wood and drawing water. These people, while they use the products of the Industrial Régime, are not called upon to contribute in any way to its activity.

The device by which some of the beneficiaries of the Industrial Régime escape economic responsibility is a simple one known as "living on one's income." It is frequently met with in every part of the United States.

The method of living on one's income is as effec-

tive as it is simple. Anyone with surplus wealth may put it into practice.

The modern machine, as has already been said, is too costly for the individual worker to own. The machine must have an owner, however, and under the system now followed in the United States, some one, anyone in fact, may own the factories, shops, stores, buildings and the land on which they stand. This is an "investment" into which a man puts his surplus wealth. In return for this investment, the owner, as his "right," takes interest or rent. After making the investment, he does not participate at all in the work of running the factory or the store. He is simply a holder of property. In return for this property ownership, however, and for as long as he holds it, he is paid six per cent. If his property is equal to \$100,000 his income will be \$6,000 a year. He needs a property of only \$10,000 to receive an income equal to that of the common laborer—\$600 a year, or \$2 a working day.

No one asks how a man gets enough surplus wealth to have this property income. He may inherit it, find it, earn it. It may come from his father, uncle or wife. Its source may be the steel business, the cotton business, the real estate market, the stock exchange or even the roulette wheel. It is not necessary for the owner of surplus wealth to explain. He simply puts his money into stocks, bonds or mortgages and draws his dividends or interest.

The things produced by the Industrial Régime

must pay the workers who have been engaged in their production. The products must also pay the property owners who hold title to the wealth invested in the industry. Hats, shoes, dishes, kitchen ranges, all are made by human hands and machinery. Some of those who get these products work for the income. Others own for it.

The Industrial Régime pays its owners as well as its workers. The larger owners receive immense returns. As the amount of capital invested in industry increases, as the amount of industrial wealth grows, through the increase in land values, and the higher earning power of invested capital, the possibilities of property income broaden. There are more people living on their incomes today than there were ten years ago. The habit and the possibility is rapidly growing with the growth of income-yielding property.

The Industrial Régime has bright sides, and its very brightest is turned to those who own industrial property. Like the lilies of the field, many of them toil not, neither do they spin, and yet they outshine the splendor of Solomom.

12. *The Machine and the Future*

The machine has been hailed as the world's savior from drudgery. Within it lay infinite possibilities of happiness and well-being.

This was the promise of the machine. Its performance sounds an ominous note—a note of warn-

ing to all well wishers of the future. The machine has subordinated the man, thrusting him aside, and taking from him the precious heritage of craftsmanship, upon which he had relied for education, for civilization itself. Instead of the apprenticeship which was so essential an element in hand industry, the machine has put highly specialized occupations, reeking with monotony and speeded to the top notch of human staying powers. Large scale industry, integration, combination and centralized financial control are all a part of the industrial revolution which has followed in the wake of the machine.

C. Hanford Henderson, in his "Pay Day," writes: "This institution of industry, the most primitive of all institutions, organized and developed in order to free mankind from the tyranny of things, has become itself the greater tyrant, degrading a multitude into the condition of slaves—slaves doomed to produce, through long and weary hours, a senseless glut of things, and then forced to suffer for lack of the very things they have produced."

The machine threatens to inaugurate a new slavery—a slavery of the individual worker to routine, mechanical production, a slavery of the community to an irresponsible, self-constituted, industrial plutocracy. The former menace has become a reality. The latter threat is still a nebulous, shadowy uncertainty. Let it become certain, and the political democracy of the eighteenth century is dead.

That combination of steel and fire, which man

has produced and called a machine, must be ever the servant, never the master of man. Neither the machine nor the machine owner may rule the human race.

The machine may be separated from its evil effects. Says Carlyle: "Cotton spinning is the clothing of the naked in its result; the triumph of man over matter in its means. Soot and despair are not the essence of it; they are divisible from it—at this hour, are they not crying fiercely to be divided."

There is one last test to which every act of machine or man is subject: What is its effect upon the men and women of the community? "The man's the gold for a' that." It is the happiness and well-being of the families of a community that sets the stamp of final social approval upon any measure.

The machine is indispensable to civilization. Without it we must revert to some form of serfdom or of slavery. The machine is the device that must lift all mankind out of the morass of economic degradation onto the tableland of economic sufficiency. The machine, as the servant of mankind, and not of any particular coterie of men, will decrease drudgery, increase the number and richness of things that all may possess, and the amount and quality of the leisure that all may enjoy.

Machinery is the servant of all. The children of men, joint heirs to the untold advantages that may accrue to the world from the use of machinery and of the present industrial order, are learning from the Industrial Régime to look forward to a true Industrial Democracy.

CHAPTER II

THE LABORER AND HIS HIRE

1. *Material and Spiritual Values*

THE possibilities of the machine light up many of the darkest corners of civilization. Hunger, nakedness, privation and hardship need no longer exist. The immense productive power of the machine may enable this century to write in the economic history of the human race a chapter headed "The Disappearance of Poverty."

Such possibilities lie in the machine. Will they be utilized? Here is a new means through which men may free themselves from the Curse of Adam. Here is a key to human destiny standing ready in the lock of time.

The effects of the machine may be measured in the increase of material things and in the increase of non-material values. Men may receive more food and clothes because of the machine, and they may also have more freedom, more courage, more generosity, more tolerance and a clearer vision of the things that are to be. The material advantages of life are vital, but no less vital than the non-material or spiritual values of life. The machine, while increasing wealth, may decrease liberty and

thus prove a curse rather than a blessing to the human race.

The machine carves its likeness into the lives of the workers and the leaders of industrial life. The leaders are comparatively few. The workers are the people—the common people—who make up the bulk of the community. In a democracy it is to them that inquiry must be directed first.

2. *The Greatest Number*

Those who work for wages make up the great body of the people in an industrial society. They are “the greatest number.” Since democracy is based on the assumption that the welfare of the majority must be regarded as paramount, it seems evident that any system of governmental or social organization that professes to be democratic must regard the welfare of the wage-earners as of paramount importance. In so far as the community fails to give first place to the welfare of the wage-earners, who make up the greatest number in an industrial society, it fails in its efforts to establish democracy.

When the American people are willing to stand frankly for the proposition that the good things of life shall go to the favored few who hold the natural resources or some other form of monopoly power, there will be no further necessity to discuss democracy. But so long as the American government is organized as a democracy, and so long as American

society is based on democratic principles, it will be necessary to insist on the fundamentals of democracy until the last bulwark of privilege is destroyed and democracy is, indeed, a reality.

The workers who carry the burdens of industrial activity should, under a democratic form of industrial organization, have its chief rewards. They do the work. They should receive the pay.

There are some forms of labor which are their own reward—which involve constructive, creative activity, and which are always desirable, even if they yield the barest pittance of a wage. Such opportunities are not abundant in industrial society. If the facts cited in the foregoing chapter established any point, it was that the work of the modern machine tender cannot be regarded as a reward in itself. It is so monotonous, barren of initiative and exacting that the only justification that men could have for continuing in it must be the cash payment that they receive in return for their labor.

The wage thus becomes a matter of paramount importance. Since it is almost the sole reward that most machine tenders get for their efforts, it should be adequate.

3. *What are Men Worth?*

Wages should be adequate.

With that proposition most people will agree readily enough. But at once the question arises, "Adequate for what purpose?" Immediately a discussion is precipitated.

There are people—many of them—outside of the ranks of the wage-earners, who are convinced that the worker is now getting all that he is worth. Very frequently, cultured, intelligent, well-to-do people take such a position, and then, to prove their point, they cite instances of paperhangers, plumbers, gardeners and washerwomen who were paid “more than they were worth.” Such statements naturally raise the question, “What are men worth?”

What is worth, and who are worthy?

Centuries of social experience have furnished at least one negative answer to that question. Ancestry, education, culture and leisure are not synonyms for worth. They produce too much ennui, dilettantism and pharisaism to be regarded as adequate worth tests.

The experience of the ages has led also to the conclusion that in terms of spiritual values, which are the highest values that man has thus far learned to measure, truth and justice and mercy are the real measures of worth. Emerson called these spiritual values “The manners of a man’s soul.” Whether they occur in Marcus Aurelius the Emperor or in Epictetus the slave, they are still the measure of real worth.

Service is the only test that the economist can apply as a measure of worth. In so far as we do for others, we are expressing truth, justice and mercy in our acts. Thus the spiritual values appear in material or at least in visible forms.

Worth is measured by service. Men are worth as much as they serve.

Ruskin carried this doctrine so far, in his interpretation of economics, as to declare, "There is no wealth but life." Value, to him, was that which avails toward life. The things that enlarged life he called "wealth;" the things that narrowed life he called "illth." He based his entire economic philosophy on the relations of human welfare.

The "useful" or "worthy" citizen is therefore the one who renders the great service. The commands, "Do unto others as you would that they should do unto you" and "Love thy neighbor" are immortal because they are founded on service, which is the first and greatest law of life.

With this service measure of worth in mind, turn to the proposition that this cotton weaver and that salesgirl are receiving adequate wages.

Here is a man who is giving the best of his time and energy—his very life—three hundred days a year, ten hours every day to the weaving of cotton cloth. As a return for this labor, he receives \$600 a year. If such a man, giving three thousand hours each year to the task of making clothing that will be worn by his fellows, is worth \$600, how much is the man worth who has been living since the day that he was born, thirty years ago, on the income from his father's estate?

Take another case. This girl stands all day behind the counter in a department store, selling laces. In

return for this expenditure of time and energy, she receives \$400 a year. If such a girl is worth \$400, how much is a girl worth who lived on the income earned by her father until she married her husband; who has never born children or raised her hand to serious labor; and who comes in the pursuit of her luxurious tastes to buy laces from the salesgirl who is worth \$400 a year?

The ordinary processes of mathematics do not leave for the son of his father or the wife of her husband a very ample economic basis for existence. If it is true that the worth of any individual must be measured in terms of the service which he contributes to his fellow-men, the status of these two people is already algebraic. They are worth zero at birth, minus the entire cost of their maintenance since that time.

The father and the husband protest. "Have we not a right to keep our sons and our wives in idleness and luxury if we see fit to do so?" To be sure you have. You may put your wealth into their upkeep as you would to the upkeep of any other bit of decorative finery. At the same time you must realize that they are only decorative finery, and that therefore, like any other wanton luxury, they are an offense to the community so long as there are working people who lack the necessities of life; and furthermore, that it is unseemly, even grotesque, for such people and for the group in society which they represent to say that this or that person who is

engaged in doing some useful work is "getting all he is worth."

Those who hew the wood and draw the water, those who labor with the head or with the hand in the interest of the upbuilding of the community, are in a class by themselves. In another class, distinct from the workers, are those who, because of their ownership of some natural resource or of some productive machinery, are able to take from the worker a part of the product of his labor in the form of rent or interest. The workers build society and make progress possible. The owners live, parasitically, upon the proceeds of the work which the workers are doing.

The workers are an economic asset. They create prosperity. The owners are an economic liability. They are a burden on the productive forces of the community. Each day that they live throws them deeper into the debt of the society that supports them.

4. *Does the Laborer Get Enough?*

Wages cannot be measured in terms of service to the community under a system of economic society that rewards the man who owns much more liberally than it rewards the man who works. Therefore it is necessary to turn to some of the more specific issues that are raised by the present rates of wage payment, and discover, if possible, whether the worker gets enough.

What is enough?

There must be some way in which the wage received by a man may be adjudged adequate or inadequate.

Other things of far less importance are measured with the greatest nicety. The amount of fertilizer required on a given piece of land to raise a bushel of potatoes; the proper consistency of the cement that goes into a railroad bridge; the tensile strength of structural iron; the maximum speed and efficiency of machinery; the possibilities of petroleum and of coal tar—all of those things have received devoted attention from those who are giving their lives to the upbuilding of industry; and yet, with the exception of what is called the "Efficiency Movement," there has been no commensurate effort to solve the more serious aspects of the wage problem.

The wage-problem is one of the most acute. The wage-earners are clamoring for higher wages. The employers are protesting that wages are already too high. Out of this difference of opinion grow bitter social conflicts.

The basis on which the adequacy of wages is to be determined must be a social one. The demands of a particular laborer, or of a particular group of laborers, can have no more part in the determination of wage adequacy than the demands of a particular employer or of a particular group of employers. The final test of the adequacy of wages must be the

welfare of the community. A given wage seems sufficient from the standpoint of the majority interest. Then that is an adequate wage. Another wage is so high or so low that it threatens the welfare of the community. The wage is a subject for immediate revision.

5. *The Measure of Wage Adequacy*

Wages are adequate when they reflect the best interests of the community. There are three important ways in which their effect on the community may be measured:

1. The wage paid must be sufficient to maintain the efficiency of the workers.
2. The wage must be high enough to make poverty, hardship or social dependence unnecessary.
3. The wage must be sufficient to enable the worker and his family to live like self-respecting members of the community.

These three facts of wage adequacy are primary. No industry can endure which does not give to its workers an efficiency wage. Even were there an ample supply of labor to replace the workers as they were worn out and cast aside because of the deterioration due to insufficient wages, there comes a time in the history of any industrial or social group when the mills and the factories plan to get their labor supply from among the sons and daughters of their former employees. To that end the wages should be

adequate to maintain the efficiency of the worker from day to day and to allow his children to grow up in health and physical efficiency. This is merely another way of saying that industry must be self-supporting.

The managers of a power plant would be more than anxious to keep up the supply of water from which their power was generated. Labor is the power of civilization. Those who direct the affairs of the world must see to it that the efficiency of the labor supply is maintained otherwise civilization breaks down.

Society is interested in self-support. Each member of a social group, at some time during his life should make a contribution to society that is equal to the cost of his upbringing; the cost of maintaining him in old age; and in addition an amount sufficient to add something to the net wealth of the community. This is another way of saying that society must be self-supporting. The community must therefore oppose any wage that will lead to poverty, dependence or any other state of life that takes the individual out of the self-supporting group. If wages are inadequate to allow for self-support, sooner or later the community must go into bankruptcy.

A manufacturer recently called up a charity society, explained that he had a man running an elevator in his plant who was paid a wage of \$10 a week with which he was attempting to support a family of four children. The manufacturer called

the attention of the charity society to the fact that a man, wife and four children could not possibly live decently in that city on \$10 a week, and asked whether the society would be willing to give the man a pension to supplement his wage. He explained that \$10 a week was all that he could afford to pay an elevator man.

This manufacturer was asking the community to repeat the experience of England with the Elizabethan poor law, under which the employer paid a part of the wages of tens of thousands of English families, who were forced to depend for the remainder of their incomes on the grants of poor relief from the public authorities. In the course of time, wages were so adjusted that the man with a family to support took his wages and as a matter of course supplemented them by an appeal to the poor law authorities. The public authorities subsidized the business of employers, who were relieved of the necessity of paying living wages to their employees.

Wages must be sufficient to enable the wage-earner and his family to live like self-respecting members of the community. It is not enough to keep the wolf from the door. The worker should be able to set up a positive standard of respectable living.

Surely, no man in the community deserves to live better than the man who does its work. If there is wealth enough to support anyone in decency, that person should be the worker.

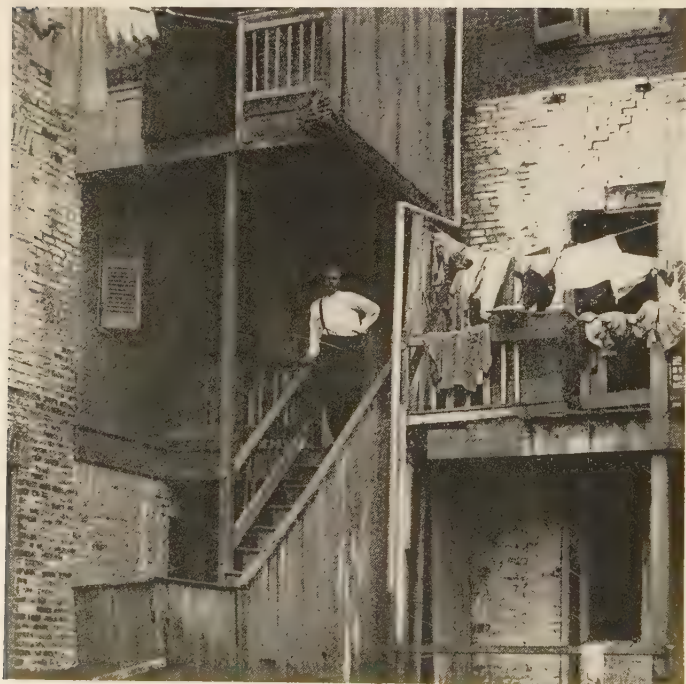
There is nothing that builds self-respect more

surely than honest work honestly done. The first consideration of an industrial society should be to see that the people who do the work of the world have every possible return in the form of wages that permit respectable living.

Finally, the wage paid to the worker must be a family wage. The home is the basic institution of the community. Each man expects and is expected by the community to make a home and bring up a family. There is no other basis on which the community can hope to persist. If men are to make homes and to raise families, the wage paid to them by industry must be adequate for family support.

Expenditures vary from one family to another. One housewife will make a wage go farther than her neighbor. Ability to manage and a knowledge of the way are both necessary for domestic success. After making all due allowance for this fact, there remains the undeniable fact that under any standard of house management there is a minimum of food, clothing and shelter below which no family can exist. This minimum may be placed at a high figure or at a low figure, but when all is said, there it stands. Unless the wage of the worker will pay for this minimum of family life, neither individual efficiency nor family decency is possible.

If the American wage is sufficiently high to maintain individual efficiency, to prevent social dependence and to guarantee self-respecting family life, it is an adequate wage. — On the other hand,



CHATEAU AND TENEMENT

The handsome country residence of an American captain of industry is built in the French style, beside an artificial lake and surrounded by beautiful private parks and gardens. (Photo from "House & Garden.") The tenement house shown below is inhabited by a large number of poor people, for whom there is only one wash room. One floor and the basement are below the street level. (Photo by Hine from "Neglected Neighbors.")

if the American wage will not permit these things for a family of reasonable size, under the direction of a person of ordinary managing ability, it is an inadequate wage.

6. *What is the American Wage?*

The "American Wage" has been talked about and written about at great length. Is it a tangible something that can be measured and described as one would measure and describe a city lot?

The best way of showing the wages paid to a group of people is to employ the scheme of classified wage figures. Instead of saying that the average wage is \$1.80, we say that among the 200 wage-earners under consideration, 40 received less than \$1.50 a day; 65 received \$1.50 but less than \$1.75; 50 received \$1.75 but less than \$2, and so on. By this use of classified wages, if the wage groups are small enough, a very clear idea may be obtained of the actual status of the 200 wage-earners.

There should be no confusion on one point. The wage figures that are published show the wage that is paid by the industries of the United States to the people who do the work of industry. These wages do not represent what the men earn. The wages paid by the American industries to the workers in those industries represent not what the workers earn but what they get. The wage is simply the amount received by the wage-earner in return for a given expenditure of time and energy.

Sometimes the wage is the result of a bargain between the employer and the group of wage-earners, represented by a union. Sometimes it is the wage paid by the employer to the individuals who offer themselves for his employ. In either case, it is the amount paid by industry to its workers.

Emphasis is laid on this point because people are prone to believe that the wage paid to the worker is determined by the worker. The phrase, "He gets all that he is worth," is based on that supposition. As a matter of fact, the primary responsibility for the wage paid by the industries of the United States rests with the industries themselves. In a very few cases where there are powerful trade unions, this is not true. As a general rule it holds. The wage-earners are getting all they can, while the industrial managers, for the most part, pay as little as they must to get a man of given ability.

TABLE III.—THE WEEKLY WAGE-RATES PAID TO ADULT MALES BY THE MANUFACTURING INDUSTRIES OF MASSACHUSETTS, 1912.

Weekly Wage.	Adult Males.	Per Cent.
Under \$10.....	126,011	28.86
\$10 but under \$15.....	166,440	38.13
\$15 but under \$20.....	98,839	22.64
\$20 but under \$25.....	31,416	7.20
\$25 and over.....	13,870	3.17
Total.....	436,576	100.00

The wage figures published for Massachusetts are typical¹ of the wages paid to those engaged in

¹ For a full discussion of wages in various industries and various parts of the country, see "Income," Scott Nearing. The Macmillan Co., 1915, Chapter 4.

the manufacturing industries in the northeastern part of the United States.

The wage groups are made large in the preceding table for convenience in discussion. The first group, under \$10 a week, reports more than a quarter of the number of males employed in the state. That is, out of nearly half a million male wage earners in the factories of Massachusetts, one in every four was paid less than \$10 a week. Nearly two-fifths received as much as \$10, but less than \$15 a week; a fifth were paid between \$15 and \$20; and a tenth were paid more than \$20. If a line is drawn at a wage of \$15 a week, two-thirds of the men would fall below it and one in every three would come above it. If a line is drawn at \$20, nine-tenths are below and one-tenth above.

These figures are for one week only. According to the official requirements, they refer to the most prosperous week within a given period of time. Full time prosperity does not continue, however. In the year for which these statistics were taken, the manufacturing industries worked less than nine-tenths of full time. Therefore, in figuring yearly earnings, an amount equivalent to this reduction in full time must be made from the wages as here given. Since these figures are taken from the pay-rolls, they do not show the vicissitudes of the individual working life. Sickness, accidents and other circumstances over which individuals have little or no control cut into the total work time and

reduce the annual earnings of the workers far below the apparent annual returns, assuming a year of fifty-two weeks.

Suppose, for the time being, that there was a full time year. There is no such thing on record. Even if there were, two-thirds of the adult male wage-earners of Massachusetts would be in receipt of less than \$780 a year; more than a fourth, of less than \$520 a year; nine-tenths, of less than \$1,040 a year, and only three in a hundred would be getting more than \$1,300 a year.

The authors of Public Health Bulletin No. 76 (Washington, 1916, p. 34) estimate the loss of working time "in the principal manufacturing and mining industries" at "from one-fifth to one-third of the full working time." On this basis they estimate that "in the principal industries fully one-fourth of adult male workers who are heads of families earned less than \$400, one-half earned less than \$600, four-fifths earned less than \$800, and less than one-tenth earned as much as \$1,000 a year." The figures on which these estimates of annual earnings are based, while far less complete than the figures for weekly wages, are worthy of the most serious consideration.

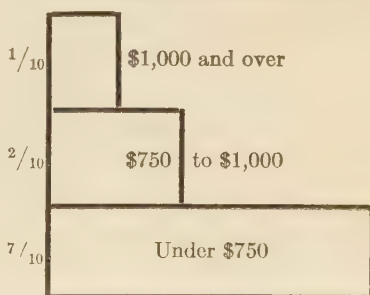
A careful, detailed investigation into the wages paid in other industries besides manufacturing shows that the manufacturing wage is typical of the wage paid in other industries demanding a like amount of skill and intelligence. These wages

may be taken as fairly typical of the wage situation in the eastern part of the United States.

The American wage—the amount paid by American industry to its workers—may be characterized briefly in these terms. A comparatively small percentage (from 5 to 10 in 100) of the persons gainfully employed in modern industry are on a salary basis. The vast majority of the employees (from 90 to 95 in 100) are paid a wage or its equivalent.

Among those who work for wages, the great majority (about nine-tenths of the adult males) receive wage rates of \$1,000 per year or less. The wage rates of two-thirds of the males

SUMMARY OF WAGE RATES IN
AMERICAN INDUSTRY
(No allowance for unemployment)



fall below \$750; one-third below \$500. These statements make no allowance for unemployment, which is a constant, irreducible factor. Unemployment due to lack of work alone is generally met with. Add to this the unemployment resulting from sickness, accidents and other personal causes, and the proportion is still higher. While this summary will not hold true for particular cases, it does describe wages in the large.

7. *The Phases of Wage Adequacy*

An adequate wage is one that will provide for efficiency, maintain decency and make possible self-respect. This is a minimum wage.

The Industrial Régime as it is now organized pays a certain wage to its workers. This wage is not what the workers earn, but what they get. It is the amount allowed by the Industrial Régime to those who carry on its necessary activities.

There are three directions in which the adequacy of this wage may be measured:

1. Its adequacy to provide for health and decency—that is, its livelihood adequacy.
2. Its adequacy in terms of sound business procedure—that is, its economic adequacy.
3. Its adequacy in terms of community standards—that is, its social adequacy.

No wage can be adequate in the fullest sense of that term until it makes possible reasonable livelihood, economic and social standards.

8. *Wages and Physical Efficiency*

The adequacy of wages may be tested in terms of the health and well-being which are involved in the maintenance of physical efficiency. A number of attempts to ascertain the cost of a decent standard of living have been based on the assumption that physical health, education up to the age of fourteen and the other minimum requirements of modern American life were included in the term "decency."

. There is a definite minimum of food, clothing, shelter and other necessities of life below which physical health and social decency are impossible. That minimum is fixed by the demands of nature and by the standards of society wholly independent of price; therefore, any discussion of the cost of a decent living begins with an analysis of the various items which comprise living decency.

The recent discussions of the wages of women, the relation to prostitution, and the whole range of economic and social problems that result from the entrance of women into industries outside of the home have led inevitably to a consideration of the wages of women. Industries employ single women who must be self-supporting. Do they pay wages that will permit of self-support in terms of health and efficiency?

Some of the most interesting studies of the subject have been made by the Massachusetts Minimum Wage Commission. Mrs. Glendower Evans, a member of the Commission, tells of the dramatic events surrounding one of the earliest investigations.

The Commission had investigated wages in one of the smaller Massachusetts industries employing a large proportion of women. Then the Commission considered, item by item, the minimum cost of decent living for a self-supporting woman living in the neighborhood of these industries. Mrs. Evans in her address at the annual meeting of the American Economic Association at Princeton, 1914, said:

"Very grave the employers looked during this phase of the discussion and their surprise was obvious when the trifling items they had agreed to, one by one, were totaled." The total was \$8.71 per week. Mrs. Evans continued: "With \$8.71 accepted as the minimum sum upon which the independent woman could support herself, the chairman said: 'I call the Board's attention to the fact that this figure is higher than the wages received by over 90 per cent of the women employed in this industry.'"² Among the 180,214 women employed in the industries of Massachusetts in 1910, two-thirds were paid at a rate of less than \$8.71 per week

Similar showings are made in Philadelphia by the Consumers' League; in Baltimore, where E. B. Butler fixed a minimum at \$6.70, and found 81 per cent of the department store employees receiving less than that amount; in New York City by the Factory Investigating Commission, and generally, wherever the wages of women have been studied, they seem to be, in the vast majority of instances, insufficient to pay for health and efficiency.³

The relation of the wages of women to the cost of healthful living is important. Even more significant, however, is the relation of men's wages to the cost of a healthful living for a family. During the past ten years this matter has received a great

² Proceedings, p. 273.

³ A summary of women's wages will be found in "Income," Scott Nearing, *op. cit.*, Chapter 3.



THE COAL FAMINE

"Please, good Mr. Devil, fetch my mamma, too. It's so nice and warm in your house."

Realistically drawn, starving slum children and the company they prefer to the comforts (?) of their own home. (A cartoon by Thomas Theodor Heine from "Simplizissimus.")

déal of attention. Estimates of the cost of healthful living have been made on an elaborate scale, and the results derived in a large number of studies have been used to check each other.⁴ Perhaps the matter can be stated most definitely if the question is confined, for the moment, to one industry—that of anthracite coal⁵—which employs 175,000 men and boys in the Pennsylvania anthracite field.

The ordinary man, doing moderate physical work, requires approximately 3,500 heat units of energy per day. Unless these energy units are supplied, he must ultimately become devitalized. The anthracite workers, as a group, are doing more than "moderate physical work." However, the 3,500 unit standard will be accepted as a minimum.

An adult man requires 3,500 units of energy. An adult woman requires eight-tenths as much. For convenience, the discussion will be built around a family that includes a man, his wife, a boy of twelve, a girl of ten, a girl of seven and a boy of five. These children require respectively, seven-tenths, six-tenths, five-tenths and four-tenths as much as an adult man. The family, taken together, would, therefore, represent a consuming power equal to that of four adult men.⁶

⁴ For summaries of these studies see "Standard of Living," F. H. Streightoff. Houghton, Mifflin Co., 1911. "Financing the Wage-Earner's Family," Scott Nearing. New York: B. W. Huebsch, 1913.

⁵ A full statement of the situation will be found in "Anthracite," Scott Nearing. Winston Co., Philadelphia, 1915, Chapter 4.

⁶ For fuller details regarding methods of estimating the dietary, see "Financing the Wage-Earner's Family," Chap. 2, Sec. 7.

The cost of 3,500 heat units per day has been variously estimated.⁷ In view of the studies that have been made, it would be conservative to accept 28 cents per man per day as a basis for estimating the food needs of a family in the anthracite regions. The food requirements of the family of four for a day would therefore be four times 28 cents or \$1.12. This equals \$7.84 per week, or \$408 per year.

If recent dietary studies are correct, \$408 per year should buy enough food to keep the anthracite mine worker, his wife and four children in physical health.

The second largest item in the family budget is the rent cost. Students of the standard of living have assumed that a family of six should have not less than four ordinary rooms in order to maintain health and decency. A four-room house in the smaller towns of the anthracite region costs about \$80 a year. In the larger towns and cities the cost is about \$130 per year.

The next considerable item in the budget is clothing, and on this item there is a wide diversity of opinion. Chapin, in his New York study, allowed \$33 per year for the man's clothing; \$23 for the woman's clothing; \$15 for clothing each girl and \$12 for clothing each boy. There was an additional allowance for soap and laundry. On such a basis the family which we are considering would spend \$110 for clothing. The New York Bureau of

⁷ Report on the Cost of Living for an Unskilled Laborer's Family in New York City, 1914, p. 13.

Standards (1915) places the clothing item at the same figure as Dr. Chapin. The Federal study adds about one-third to the Chapin estimate. If the Chapin estimate is accepted, it is a bare minimum.

The additional items of family expenditure appear in the following list, with amounts set after them equal to the amounts prescribed in the Federal study for a cotton-mill town in Massachusetts.

Fuel and light.....	\$24.00
Doctor and medicine.....	13.98
Insurance.....	20.80
Amusement.....	15.60
Church.....	10.40
Newspapers, etc.....	8.84
Incidentals.....	26.00
Total.....	\$119.62

These amounts, it should be noted, are for the most part lower than the allowances made for like objects by the New York Bureau of Standards. Carfare is omitted. It is a necessary part of the budget in many cases.

Summing up, the costs of physical health and decency for a family of six in the anthracite region would be:

Food.....	\$408
Rent.....	80
Clothing.....	110
Additional items.....	120
Total.....	\$718

The rent item here used is for villages. In the cities \$50 must be added for rent, bringing the cost to \$768. This sum—\$768—the cost of decent living for a family of six persons in an anthracite city—is an estimate. Accurate information cannot be obtained until a first-hand investigation is made in the anthracite region. The point that should be enforced is not the \$768, but the fact that there is some minimum of subsistence below which health and decency are impossible. Until that minimum is ascertained there can be no final adjustment of wages that will be either tolerable or equitable.

Meanwhile, the \$768 estimate for the anthracite regions may be compared with the standard of living studies made in recent years. In New York City, for example, Chapin estimates the cost of decency at from \$800 to \$900 for a family of five persons. In Fall River, Mass., the Federal study makes an estimate of about \$750; for Buffalo the estimate is \$850; for Chicago it is \$800.⁸ The most recent estimate, made after a careful study by the New York Bureau of Standards, sets the cost in New York City at \$840.

How does this figure (\$718 for villages and \$768 for cities) compare with the wages paid to anthracite workers? In so far as averages are an index of wages, many of the contract miners receive a wage of \$800 or more. The laborers, inside and outside

⁸ "Financing the Wage-Earner's Family," Scott Nearing, *op. cit.*, Chap. 3.

workers, with average daily wages of \$2 to \$2.50, would be able to earn \$750 a year only by working a full year of 306 days. The largest number of days worked by the anthracite miners in recent years was 257 days, and that was well above the average of the five-year period.

Many contract miners are apparently in receipt of annual earnings that will provide living decency for a family of four young children. The great bulk of anthracite workers, however, seem to be in receipt of wages that will not buy such living decency.

There are many ways in which the miner may maintain conditions of living decency. He may refrain from marrying or from having children; his wife may take boarders; when his children grow older they may contribute to the family income; his wife may work at some regular occupation; he may find extra work outside of mining hours; or he may supplement the family income with a cow, pigs, chickens or a truck patch. All these are possibilities. Nevertheless, the obligation remains upon industry to pay a living wage to its workers, and the bald fact of a wage scale largely below the cost of decent family living stares every man with young children square in the face.

From the standpoint of social well-being, every man in the anthracite region who is receiving a wage that is insufficient to buy physical health and decency for his family of young children is inade-

quately paid. How many such men are there? Future investigations alone will show.

Are the wages paid to American wage workers sufficient to maintain health and decency? Compare the two statements:

Cost of decent family living in eastern industrial centers, \$750 to \$1,000 per year.

The wages of adult males (allowing for unemployment) $\frac{4}{5}$ less than \$750, $\frac{95}{100}$ less than \$1,000.

Nothing could show more conclusively the frightful inadequacy of American wages. The present wage scale, paid to workers by American industry, does not enable millions of them to give a family of young children the simple decencies of life that are necessary to the maintenance of health and efficiency.

9. *The American Wage as a Business Proposition*

The wages paid by American industry to a great body of its workers are inadequate to provide health, efficiency and decency for a moderate-sized family. They are even more inadequate when they are considered from the standpoint of up-to-date business practice.

Many a successful business man, who is confident that "the workers are paid all that they are worth," and that "wages are far too high, anyway," has never stopped to analyze wages from a strictly business point of view. The wage-earner is, in reality, a business man. His place of business is his

home. The object of his business activity is the rearing of a family. To this end the worker labors during most of his adult life.

Business men have worked ardently to safeguard business interests. After centuries of experiment, they have evolved what they regard as a safe and sane method of financial business procedure. Every successful business man tries to live up to the following well-established formula:

First. He pays out of his total returns, or gross receipts, the ordinary costs of doing business—materials, labor, repairs and the like. These payments are known as running expenses or upkeep.

Second. After upkeep charges are paid he takes the remainder, called gross income, and pays out of it the fixed charges—taxes, insurance, interest and depreciation.⁹

Third. The business man, having paid all of the necessary expenses of doing business (the running expenses and the fixed charges), has left a fund (net income) which, roughly speaking, is the profits of the business. Out of this net income, dividends

⁹ A depreciation charge is one that is made against the wearing out of capital. A paper manufacturer buys a machine for which he pays \$1,000. Experience tells him that this machine will wear out in ten years. Therefore the manufacturer sets aside each year a sum which at the end of ten years will equal \$1,000 (a new machine). In this way, the business man keeps his capital intact. While the individual machines, tools and the like do wear out, the accounts of the business are so kept that these pieces of capital will be automatically replaced when they are too old for use. The depreciation charge is recognized everywhere as a legitimate and necessary fixed charge on business.

are paid, improvements and extensions of the plant are provided for.

Fourth. The careful business man increases the stability of his business by adding something to his surplus or undivided profits.

This formula may be stated in terms of business bookkeeping. Revert for a moment to the anthracite industry, from which most of the profits go to the operating railroads. The Delaware, Lackawanna and Western Railroad, one of the largest of the anthracite carriers, published these operating statistics for 1912 (Poor's Manual of Railroads, 1914, p. 193):

TABLE III.—OPERATING STATISTICS OF THE DELAWARE, LACKAWANNA AND WESTERN RAILROAD, 1912.

Gross earnings.....	\$37,564,511
Total expenses.....	24,146,423
Net earnings.....	\$13,418,088
Other income.....	6,054,567
Gross income.....	<u>\$19,472,755</u>
Deductions:	
Taxes.....	\$1,771,980
Rentals.....	5,847,278
Interest on bonds.....	6,486
Renewals and betterments.....	1,720,698
Miscellaneous.....	84,242
Dividends.....	6,028,800
Total deductions.....	<u>\$15,459,484</u>
Surplus for the year.....	\$4,013,271
Total per cent earned on stock.....	33.17

The bookkeepers of the Lackawanna begin with the total returns or gross earnings of \$37,000,000. From these they deduct the expenses of business upkeep. To the net earnings which remain they add incidental income from dividends, rentals, other properties, etc. The total is gross income. Observe that in the operations of this road, a third of the gross earnings appears as net earnings, and the gross income of the road is equal to half the gross earnings. From gross income is deducted taxes, rentals and interest. These are the fixed charges, obligations which must be met if the business is to continue. From gross income the bookkeepers also deducted \$1,750,000 for renewing and improving the property of the road, as well as \$6,000,000 for dividends. After all of the necessary deductions had been made, \$4,000,000 (an amount equal to 11 per cent of the gross earnings) remained as surplus.

Like every carefully handled business, the Lackawanna—

1. Paid its running expenses.
2. Paid its fixed obligations.
3. Divided up its profits.
4. And kept a nest egg.

The showing made by the Lackawanna is in one sense exceptional because of the high dividends paid by that road. On the other hand, the method of carrying on business is typical of the method pursued by every sound business organization in the United States.

Suppose the wage-earner who is striving to support a family on a wage ranging from \$2.50 to \$3.50 a working day (\$600 to \$1,000 per year) should apply to the financing of his family affairs the financial formula adopted by any well-managed modern business. Since he must allow for running expenses, fixed charges, dividends and surplus, he would proceed as follows:

First. He would pay from the total family income the family running expenses—food, clothing, housing, medicine and the like.

Second. From the remainder, his gross income, he would take interest on the investment which has been made in bringing up and educating his wife and himself; insurance against all reasonable contingencies, such as sickness, accident, death and unemployment; and a sum for depreciation sufficient to compensate for the inevitable decrease in his earning power and for the old age during which he and his wife can no longer earn anything.

Third. The remaining net income should be sufficient to enable the worker to pay himself dividends proportionate to the excessive risks which he runs in bringing a family into the world and attempting to rear it; and sufficient to add at least something to the surplus which the family lays aside to provide against such untoward events as births, deaths and prolonged sickness.

A large percentage of wage-earners receive a wage which will not pay even decent running

expenses. No business man would attempt to conduct a business on a basis that would pay only the flimsiest of upkeep charges, yet the bulk of wage-earners find themselves in exactly that predicament. The legitimate fixed charges of business—interest on the investment, adequate insurance and depreciation—are far above the reach of most wage-workers who have a young family to support.

Place before any level-headed man of affairs this proposition: "I have a business which is barely able to pay running expenses. We cannot meet our fixed charges, and our wildest flights of imagination have never carried us as far as dividends and surplus. Will you join in the venture?" The statement is grotesque, yet it sets forth the financial position of a great body of American wage-earners.

As a business proposition, for a family, the ordinary American wage is absurdly inadequate. No business man would consider it. It violates every business standard which the practice of the modern man of affairs recognizes as legitimate. Every concept of modern business management cries "shame" at the very thought of the proposition which the American wage scale presents to millions of its workers.

10. *The Social Implications of the American Wage*

The first, and probably the most fundamental, social objection which may be raised against the present wage scale is that it fails very largely to

stimulate the ambition of the worker. There are two reasons for this failure. On the one hand, the wage scale is so rigid that the man doing good work is placed on the same footing with the man doing poor work. This holds true of piece-rate payment as well as of time-rate payment. The rule of most producing establishments is "anything that will pass the inspector." Furthermore, the individual may work as hard as he pleases, devoting all of his energy to the work in hand. Despite this, he is unable to raise his wage rate and very frequently is unable to increase his wages.

The wage scale is fixed either by an agreement between the employer and the union or by custom and common consent. No one even pretends that there is a definite relation between the values produced by the worker and the wage which he secures.

The worker is not paid in proportion to his product. Wages are never fixed on that basis, with this single exception—that no employer can afford to pay any more in wages than a group of men are producing in product. The law of monopoly, "all that the traffic will bear," is the law which fixes the American wage.

Another consequence follows from the ruthless bargaining of the competitive labor market. The bargain takes place between the employer and a worker, irrespective of social obligations. The consequences are doubly disastrous to the man with

the family depending upon him. Industry does not inquire into a worker's social obligations. It simply asks whether he is able to do the work, and at what price. The competition of the labor market does the rest. There is no relation between the social (family) needs of a man and the wage which he receives. Wages are fixed wholly independent of social relations.

The American wage is anti-social. The present system of wage payment fails to stimulate workers to industry and thrift because it has not given them a reward in proportion to their exertions and ability. There is no relation between product and wages. Rather wages are fixed by competition and monopoly. The present wage scale fails completely to provide a return in proportion to social needs. The simplest requirements of social progress call for ambition, for justice, and for the provision of health necessities. The present American wage scale offends even these primitive social standards.

The American wage, examined from any point of view, fails to provide a sufficient return to the wage-earner who is carrying the burden of a young family.

American industry pays to the overwhelming majority of wage-earners a wage of less than \$1,000 a year. Even where no allowance is made for unemployment, the wage rates of three-quarters of the men fall below \$750 a year. Perhaps three wage-earners in each hundred are paid over \$25 per week (a yearly rate of \$1,300). Compared with the sums

which are met with in the business world, the wage of the workers is small.

The wage rates paid by industry, placed side by side with the cost of family health and decency, reveal an appalling situation. In great numbers of cases, the wages paid by industry to its adult male workers are insufficient to provide for the health and decency of a moderate-sized family.

American wages, as a business proposition, are even less adequate than they are for the provision of health and decency. The ordinary principles of sound American business practice are all violated in the financing of the worker's family.

There are certain well-recognized principles of social expediency: that industry shall pay a wage that will maintain the efficiency of its workers; that wages must prevent poverty and dependence; and that families must be able to live as self-respecting units in the community. These principles underlie the sane conduct of society. Each of them is violated by the present American wage scale.

11. *The Penalty of Labor*

The major portion of the world's work is done by the wage-earners. The work of the world cannot go on without them and their efforts. They are the human power behind the Industrial Régime, and yet, after noting the facts, who would be a wage-earner if he could be anything else?

The Industrial Régime places a penalty on work.

There is the pittance return—pitifully small, economically and socially inadequate—paid to millions of workers in exchange for their energy and time during the best part of each day and the best part of their lives. No student of the problem can escape the feeling that this wage is wholly insufficient in comparison with the contribution that the worker makes toward the upkeep of the Industrial Régime.

The most elementary considerations of social justice and the simplest forms of social expediency would seem to demand that the worker receive a minimum wage sufficient to provide for health, efficiency, decency and self-respect; and that the return be rendered stable by adequate provisions against the vicissitudes of industrial and social life. The minimum wage and social insurance would seem to be the barest beginnings of a policy of economic justice applied to wages.

CHAPTER III

INDUSTRIAL LEADERSHIP

1. *The Call for Leadership*

THE rank and file who do the work of the industrial world must have adequate wages. No need is greater. At the same time, wages cannot be paid by any form of organized industry unless leaders are found competent to direct the current of industrial affairs.

The necessity for leadership is not confined to the fields of industry. It is felt in every realm of human activity. The whole world is voicing its call for leaders. Eager eyes scan the ranks of the new generation. Breathless throngs turn hither and thither. The people are seeking a Moses who will lead them out of the house of bondage, away from the perils of the wilderness, and into the promised land.

Nameless dangers lurk in the portentous issues that confront western civilization. Never were the problems of life more pressing—more insistent. Never was the need for intelligent leadership more keenly felt by the high and the low of every nation.

Men for centuries have declared their belief in Truth, Justice and Mercy. There is no yearning of

the human heart that is more compelling than the yearning for these things, yet the difficulties in the way of determining what interpretation shall be placed on Mercy, Justice and Truth, in the face of the momentous problems that grow out of the use of the machine seem, at times, to be almost insuperable.

This meeting place of iron and fire—this machine—how can it best be made a servant of the commonweal?

This vast new system—modern industry—built with machinery and cemented together by finance and industrial organization, how can it best be molded so that it may serve the commonweal?

This world-prevalent, competitive struggle for foreign markets, growing out of the extended use of the machine and the industrial system and of the exploitation of home labor and the home consumer, now flowering in Europe and blighting whole peoples—how shall it be made to serve the commonweal?

Will these new tools of civilization, these steel-shod messengers of the gods that man's inventive genius has summoned into being, minister to the human race or destroy it? Can man control the work of his brain? Can he guide the forces of the universe that he has harnessed to the car of his progress?

The answers to these and to all other questions of like tenor depend upon the leaders that the human

race can raise up to do its bidding. If the men and women who are called upon to assume the responsibilities of directing the activities of human society prove equal to the task of solving these questions, western civilization has taken a great step in advance of its predecessors in the conquest of nature and the ennobling of man. Where are the leaders with capacity sufficient to do this work? How shall they be discovered and chosen?

The leaders of a nation must be the greatest among its great men. Only they can save the times from self-destruction.

Let the great men be found and set to their tasks, and the nation need have no fear. "No time need have gone to ruin," writes Carlyle, "could it have found a man great enough, a man wise and good enough; wisdom to discern truly what the time wanted, valor to lead it on the right road thither; these are the salvation of any time. But I liken common languid times, with their unbelief, distress, perplexity, . . . to dry dead fuel, waiting for the lightning out of Heaven that shall kindle it; the great man with his free force direct out of God's own hand is the lightning."¹

These times need leadership, if any times ever did. Here are the unbelief, distress, perplexity. Here the dry dead fuel. Where are they with the free force direct from God? We bend our energy to the search for leadership.

¹ "Heroes and Hero Worship." 2

2. *The Qualities of Leadership*

The qualities that are necessary in the industrial leader are the same as those required of the leader in any other branch of social activity. The leaders are the directing force. Whether there is a road to build, a bank to manage, a city to govern, a factory to organize, a railroad to develop, a mercantile plant to superintend, or a river to tunnel, the work must be done by the men in the community who are best equipped with the talent and the training that are required for the particular task that is at hand.

The leader needs energy, vigor and enthusiasm. These qualities are indispensable, because upon them is based that tireless effort without which leadership degenerates into a formal, meaningless cult. Among the aristocracies of the world, from which leaders are picked because of family connections, and without any reference to ability, there are many leaders in name who are led by their lackeys. They have none of that mighty driving force—the power of purpose—that makes the leader leap to the front because he is a leader.

Physical energy, mental vigor and the contagious enthusiasm that accompanies them are born in the man. They must be found, cultivated and directed before they become effective.

Leadership is not all force, either brute or intellectual. The personality of leadership is built of another group of elements that make up the spiritual side of the leader's equipment. These elements are

courage, insight and vision—forces that enable the leader to understand those around him and to point out to them the path that lies ahead.

The great leaders of history have possessed, above all else, the power to inspire trust. They radiated confidence as the sun radiates heat. They looked into the faces around them and understood. They looked into the future and understood. Those about, feeling, by the touch of personality the completeness of understanding, have accepted and followed.

The spiritual qualities of leadership are far more important than the physical qualities. They are the breath of God in the nostrils of the leader.

During the past century the United States has been developing through the potency of its resources, of its inventions. It has been driven forward by the very exuberance of its youth. The time has come when a new thing is needed. It is no longer possible for the nation to drift haphazard before every wind of doctrine. Maturity follows youth; cosmos replaces chaos. There must be understanding and direction. The people must know whither they are growing. Mother Nature cannot be looked to for all of the good things. Her tingling life blood that has nurtured us will suffice no longer. The life of a mature nation rests upon a basis very different from that which supported the life of its childhood.

3. *America's Leadership Heritage*

The founders of the American nation have left for their descendants a virile heritage in all that makes for leadership. They led, and led mightily.

The early colonists were seeking political and religious liberty. They had rebelled against the old tyrannies of Europe and were looking for an opportunity to establish a social order that would yield larger possibilities to mankind. Therefore they ordained a government of the people under which, free from the dictation of any established religion, men should be at liberty to worship God as they saw fit.

Behind the acts of these early settlers there were a number of great ideals for which they were willing to sacrifice and suffer. In the pursuit of these ideals they came to a new world to build a new civilization.

The new order was founded upon the proposition that all men have an equal right to life, liberty and the pursuit of happiness. Not equality, but equality of opportunity was the germ-thought in this rebirth of civilization.

The colonists built strongly and courageously. When the test came, when the king, representing all those things that were sacred and venerable because they were old, commanded his subjects in the colonies to obey his laws, they took up arms and made their reply at the cannon's mouth. The Revolution was the answer of the New Civilization to the Older

Order of Social Life. Instead of doing what they were told to do, as all faithful subjects must, these men and women who had laid the foundations of a new world did what they believed to be right, acting on the principle that ideals of human liberty are more important than the word even of a king.

The men who organized and led the Revolution were guilty of treason, the worst of all the offenses that may be committed against organized society. They were guilty of rebellion against their duly constituted ruler. They broke all of the laws of their government, destroyed the established order, overthrew precedent and backed up their position by killing the officers that the king sent to restore order and enforce the laws. There was scarcely an offense, from the tossing of privately owned tea into Boston Harbor to treason and open rebellion, of which the colonists were not guilty. Even though they may have believed that they were tearing down in order to build a new structure better than the old, they were still guilty in the eyes of the law—so guilty that they deserved only the scaffold.

The spirit that the colonists showed in their answer to English injustice, they displayed in a multitude of forms during their conquest of the American continent. There was a wilderness to be subdued and a new world to be built. These rugged, virile men and women fell to their task with a will. One of the early frontiersmen, in his autobiography, tells how his father moved his family into a territory

shortly after an Indian massacre. The men farmed with guns beside them. The children were not allowed to leave the stockade. Danger lurked everywhere. What were the qualities that made those men succeed in the face of such frightful difficulties? Thomas Ewing names them. "The population of the garrison was made up of incongruous materials agreeing in little except poverty, courage and energy."² Poverty, courage and energy were the life-might of the frontier.

The early Americans subdued a wilderness as no wilderness had ever been subdued before. They invented their means of subjugation as the conquest proceeded. [To those who tried to block their progress, they replied with messengers of steel. They would not brook restraint. Courageous, energetic, they forged ahead in the settled conviction of righteousness.

They overthrew, tore down and destroyed. They defied authority and threw precedent to the winds. It is because of these things that we honor them. They were leading the world toward a nobler civilization.

These early builders of the American nation never let "I dare not wait upon I would"—they had the soul of leadership. They were filled with independence, initiative, courage and faith. They were

² "The Autobiography of Thomas Ewing," edited by C. L. Martzholff. Ohio State Historical Society Publications, Vol. 21, p. 9.

ready "to brook the eternal devil" if need be, to defend the things in which they believed.

This is the heritage of leadership that comes down to the American people. These were the founders of our civilization and our government. They had vigor, energy, enthusiasm, courage, insight and vision. They took orders from no one. They did what they believed to be right. They measured their duty and performed it fearlessly and nobly. They were the men who had turned their backs on the past and who were looking into the future with the power of purpose in their eyes.

4. *The Duties of Leadership*

The great leader is the great server.

The leader derives his commission to leadership from the special qualities that enable him to be of service to his fellows. The commonweal demands that the great burdens and the pressing issues of life be met. The leader asserts his right to leadership because he, better than any other, can direct the activities of his fellows along the path that leads to a successful solution of the problems by which they are confronted. The great leader is the great server. "If anyone would be great among you, let him be your minister." The greater the service, the greater the leadership.

The modern community recognizes five groups of leaders or professions. The five professions as they are known in every civilized country of the world



KING CANUTE

King Canute sat by the seashore and attempted to show his power by commanding the tide not to rise. In this picture by William Balfour Ker, King Canute is the master of industry, and control over the law of nature, soldier, poet, jockey, society woman, and other types of the ruling class. The tyrannical tide is humanity and on the crest of the wave can be seen the starving and wretched of the earth. (Cope, J. A. Mitchell.)

are the soldier, teacher, physician, lawyer and merchant. On certain occasions it is the duty of each of these professions to die for the community. "The soldier, rather than leave his post in battle. The physician, rather than leave his post in plague. The pastor, rather than teach falsehood. The lawyer, rather than countenance injustice. The merchant—what is his due occasion of death?"³

The merchant, a term that Ruskin uses to refer to all who are engaged in any form of industrial pursuit, is ranked in the professional classes. He is constituted one of the leaders, and well he may be, since he is occupied in one of the most vital of all functions—feeding, clothing and housing the community and providing for its welfare.

"Observe the merchant's function," Ruskin goes on to say, "is to provide for the nation. It is no more his function to get profit for himself out of that provision than it is a clergyman's function to get his stipend." The leader of industry, like the leader in any other profession, must look upon himself as the servant of those people—called consumers—for whom the things that he produces are intended.

The merchant, therefore, appears in a wholly new rôle. He is proudest when he is able to do the most for those who are depending upon him for the necessities of life.

³ "Unto This Last," John Ruskin. Were Ruskin writing today, he would doubtless add a sixth profession—that of "social organizer." The union leader, the political boss, the social worker, and many others of the same type are giving themselves over to the co-ordination of social forces.

The moral duty of the leader has long been established in the older branches of the professional world. Upon the sea, for example, the rule that binds the leader to his crew and his passengers is as absolute as any rule of human conduct that is known to the human race. Ruskin is interested to inquire why this same rule of leadership morality will not apply with equal force to the leaders of industry. "And as the captain of a ship is bound to be the last man to leave his ship in case of wreck, and to share his last crust with the sailors in case of famine, so the manufacturer, in any commercial crisis or distress, is bound to take the suffering of it with his men, and even to take more of it for himself than he allows his men to feel."⁴

Industrialism is new. The relation of the industrial leaders to the remainder of the community is not yet well established. As this relation works itself out in the coming years, one thing seems certain—the industrial leader must be the industrial servant, both of the consumers and of the workers. Like all of the professions, leadership in industry, to command the respect and confidence of those who are seeking for guidance, must be built upon ideals of service.

5. *The Opportunities for Leadership*

There is a saying that has come down from the time when the frontier was still a factor in national

⁴ "Unto This Last."

life, "There is plenty of room at the top." The truth is that the modern organization of industry calls for a very few men at the top and a great many men below. This system of industrial organization is just as well understood as the organization of a section on the railroad. There is one foreman in charge of a number of workers. Go into any mine, store or factory and you will find a certain number of superintendents, foremen, skilled and unskilled workers. This number will vary from one industry to another, but in the same industry it will be fairly constant.

The traditions of American life had their origins at a time when the young man walked into the bank, swept the floor, ran errands and by a logical process worked up to the presidency. The feat was not so difficult either, because there were only four other men in the bank. Another young man walked into a shop, learned his trade, and by the time he was forty, had a thriving shop of his own. But then there were only a half-dozen men employed in the shop. Still another man apprenticed himself to the miller. Three men and a boy ran the mill. It was not a great task for the boy to get to the top as the years went by. It is not long since the industries of the country were all organized on a small scale basis that placed the man in the ranks very near to the man at the top.

The era of small scale industry has passed in all of the important industries except agriculture. With

the passing of small scale industry has gone the abundant room at the top.

The railroads of the United States are highly organized, and although there are no manufacturing industries in which the problems presented are exactly like the problems of railroading, the census figures indicate that the larger and more highly evolved industries tend to approximate the conditions in the railroad industry.

The figures for 1913 (Statistical Abstract, 1914, p. 267) show that there were 4,398 general officers in the employ of the American railroads. This is the smallest number of general officers reported in any year since 1890, when the figures of the Interstate Commerce Commission were first compiled. Assume, for convenience of discussion, that all of these general officers are "at the top." In 1895 there were 5,407 general officers, or one for every 145 employees. In 1913 there was one general officer for each 413 employees. This change has been brought about in a period of nineteen years, beginning at a time when the railroads were already highly organized. In these two decades the room at the top has narrowed very perceptibly.

During the same years the number of "other officers"—men half-way up—has increased rapidly. There were 2,534 in 1895, and 10,706 in 1913. The "other officers" are, of course, not men "at the top." They play their part as units in a vast machine, and they do its bidding with little opportunity to direct or to decide.

The ratio between the number of general officers and the total number of railroad employees will probably grow smaller as time goes on and the railroad interests are consolidated. Like all other business, railroading is managed more scientifically and more centrally. The result is a steadily dwindling room at the top.

The ratio of general officers to total employees—1 to 413—does not mean that the individual employee has one chance in 413 to become a general officer, and for several reasons. First, many of the men engaged in the operation of trains have a life span far smaller than that of the general officer. As a rule, the workers employed by the railroad at a wage of less than three dollars a day, at any given age have a death rate about twice as high as the death rate for that group of the population to which the general officers belong. In the second place, no consistent effort is made to determine whether the various grades of employees have in them the making of general officers. Third, the general officers are not all picked from the ranks. There is a growing tendency in railroading, as in every other business, to give the preference to the trained man. Besides, when the division superintendent hires a section hand, flagman, mechanic or brakeman, he does not want a prospective general officer, but rather a man who will stay at his assigned task and become highly efficient there.

The room at the top is narrow and narrowing.

There is a small number above and a vast throng below. Even if these above were all picked from the ranks below, the room at the top would be small indeed for the average man. The Industrial Régime, as it is now organized, requires a few leaders and a very large number of persons who must always be followers.

The organized, highly specialized Industrial Régime has created a new feudalism. The children of the men higher up have an excellent chance to succeed their fathers. The children of the men at the bottom of the pyramid of industrial organization have little real opportunity to do anything except follow in the footsteps of their fathers. The rewards of the men higher up enable them to give to their children a generous taste of the good things of life. Many of the men at the bottom are fortunate if they can secure for their families the barest necessities of existence.

The room at the top is so narrow that the man at the bottom sees it as a hair-line. As the organization of industry is perfected, even the hair-line dwindles.

The difference between chance and probability is significant.

Every boy born in the United States has a chance to be President. The facts show that the probabilities are far greater that a boy will live to be a hundred years old than that he will be President. The chance is there. Theoretically, any boy may be President. Practically, about 9,999,999 boys out of every

10,000,000 will not be President. The same thing is true of the room at the top of the Industrial Régime. All have a chance to get there, but in practice, very few ever will.

Since the duties of leadership are being concentrated in the hands of so small a number of people, it becomes increasingly important to determine that these few are the men and women best qualified to assume the duties of leadership.

6. *The Position of the Industrial Leader*

Under the centralization of industrial control in the hands of the financial interests there is little real independence in the business world outside of the men who wield financial power. And even these men must be described as interdependent rather than independent.

The men highest up—the presidents, vice-presidents and general managers—are bound together by the tenacious power of common interests and obligations. Common opportunity and common necessity alike lead the men who occupy even the most exalted stations in the industrial world to depend upon their fellows for support and to accept their counsel in regard to all matters of moment.

Perhaps among the important affiliations that tie the industrial leader hand and foot, none is more omnipresent than the duty which he owes to "Property." Inevitably this is so. The managers, directors, superintendents and presidents are hired

by the owners of the property to make the business pay—that is, to make it return money on the investment. The independent business man who, as he says, is not in business for his health, means to make his business pay. The leaders of industry are the representatives of property, and as such, their chief concern is to safeguard property interests.

Just how far this attitude departs from a position of true community leadership may be gathered from a contrast between the Round Table of King Arthur and of the modern board of directors.

The men who sat around the table with King Arthur lived “to crush all wrongers of the realm.” Each man at that kingly board was sworn to “Live pure, speak true, right wrong.” Their purposes and aims were expressed in the most exalted terms. They led in ideals, in virtue, in courage. They were the servants of a great purpose—Truth and Justice. The directors of the modern corporation gather about their table with one object—“Six per cent or better.”

7. *The Class Consciousness of the Leaders*

The leaders of industry owe their first allegiance to property. As an immediate result of this property-fealty, there has developed a virile class feeling among the leaders of industry.

A lawyer who, during the twelve years of his practice, had never taken a case on any except the employer's side, decided to help the Street Railway



THE HAND OF FATE

The rich and idle pleasure-seekers at an orgy are terrified when one of the wretched laboring class who support the floor of pleasure succeeds in breaking his fist through in threat. (Painting by William Balfour Ker. Copr. by J. A. Mitchell.)

Union of his city in its effort to get more pay. He wished to bring before the Arbitration Board some employers from other fields of activity, who would testify as to the wages paid by them in their industries. He could get the facts readily enough, but he wished to bring the men themselves into the proceedings, to add the weight of their personalities to the facts. The first man that he approached made car wheels for the street railway company. The second said, "Of course you can see that if I did this, I would put myself in the position of helping out the union, and our policy is opposed to unionism." A third said, "You will readily understand that I cannot array myself against the employing interests of the city." This lawyer went to his friends, one by one. He knew them in his club, his church and his neighborhood. Not one of them would appear in the case.

"I never knew that such pressure could be brought to bear as was laid on me to get out of that case," said the lawyer. "It has cost me some of my best clients. They say that I am on the other side."

A group of men were discussing the rate of wages paid by the local street railway company. The wages were low and everyone there knew it. One of the wise business men present smiled. "Do you know," he remarked, "the stock of the traction company is well scattered. There is not a bank nor a trust company nor a holder of securities in this town that has not a little block of the stock. There

is not a banker nor a merchant nor a rising young lawyer in the community that would dare to say that the wages should be raised. The diffused stock ownership puts every important interest in this town on the side of the company."

The industrial leader is a part of the "system," in the same way that a man is a part of an order. Each group of people has its objects, and the objects of the Industrial Régime is the making of profits, and the conservation of the propertied interests of the community. "Business is business," and the aim of all business is frankly recognized as the property returns which can be secured as a result of its operations.

The industrial leader is a part of the industrial system. Therefore he must play the game according to the rules. When he accepts his position of leadership, he subscribes to those rules, and woe to him, if he deviates from them, for the punishment that is meted out to him is swift and very sure.

The individual industrial leader, for example, is not allowed to pay a rate of wages higher than the going price in the community, because the payment of an advance rate "spoils the labor market." All of the employers of labor must stand together on that point, or else there is no telling what wages may be demanded by labor. The comments that were made by employers generally when Henry Ford announced his minimum wage of five dollars a day, gave an excellent idea of the attitude that most employers take toward the wage problem.

The rules of the Industrial Régime cannot always be broken with impunity as Henry Ford broke the wage rule. There are many businesses where the competition is so keen, and the margins of profit are so small that the individual employer is helpless before them. As Morris Hillquit once put it: "If Jesus Christ opened a coat shop on Hester Street (New York) he would be forced to exploit his labor or go out of business." The pressure of the system under which he was working would compel the proprietor of the coat shop to fall into line, no matter what his personal sentiments might be.

8. *The Men Half Way Up*

The man higher up is hedged about by an established order of business life. So long as he is willing to devote his energy to furthering the interests of the business world, he is free to do his utmost. Let him begin to tinker with the machinery; let him inject into his vocabulary such phrases as social justice, and he is at once an object of suspicion. Should he carry his iconoclastic tendencies so far as to threaten the smooth running of the business machine or to reveal its secrets, he is a man proscribed. From that day forward, let him beware!

Scientific management, efficiency systems and business organization still further reduce the initiative of the individual, whether he be high or low in the business world. The object to be attained by any of the devices for the improvement of business

organization is the standardization of the work and the consequent reduction of the risk that is incident to the bad judgment of the individual. Risk is reduced. So is the free play of individuality.

The industrial leaders, except for the favored few, are caught in their own levers and cogs. The under officers of industry—the foremen, superintendents and managers—are a part of a scheme that holds them to the accepted method of getting results. They are the subjects of the machine that they drive.

The under officers of a steel company or a railroad are the creatures of their businesses. Their clubs, churches, ideas and public utterances are hand picked. With the few rare exceptions that mark the rule, such men do not dare to express themselves publicly with regard to social, economic or political questions, unless they are acting as the mouthpieces of the company that employs them. They do not even dare to express themselves in regard to their specialties, unless they are sure that there is nothing in their utterances that will in any way conflict with the policies of the company.

The man half way up merges his personality with the industry in which he is employed. He subordinates to it his moral, intellectual, civic and social self at the same time that he subordinates his business self. Even among the least protected of the many groups of defenseless wage-workers in the industries of the United States, one would search in vain for a group that was forced to subordinate

itself more completely to the will of the Industrial Régime than is the man half way up.

The man half way up is a part of the organization, but not an essential part. He can be replaced with comparative ease. The fact that he is a part of the business prevents him from forming any defensive organization, like a trade union. The fact that he can be replaced without great difficulty robs him of bargaining power, and leaves him at the mercy of the man higher up who hires him.

"The Message to Garcia," which was printed into the tens of millions by the great industrial interests of the country, was built around the thought—"Do what you are told; when you are told; and ask no questions."§ It bespeaks accurately the position of the men half way up.

Nothing has been said thus far about that oft-mentioned figure in the field of economic mythology—the independent business man. A reader of the history of the Standard Oil Company, or of the testimony in the recent New Haven suit, can form some picture of the position of the so-called independent in business. When he collides with one of the larger interests, like the child in the express wagon running in front of the eight-cylinder touring car, his only chance lies in the possibility of escaping with his life.

¶ The Industrial Régime racks above as it crushes below. Financial, manufacturing, railroad, mining and merchandising interests are knit close. Politics

is their handmaid. Together they work out their common ends. No individual, with a very few exceptions, counts particularly in these common ends. Each must go along or go under.

The Industrial Régime has Prussianized the business world. In Germany no man may speak against the Emperor. Under the Industrial Régime no man may speak against the leaders and keep his place. Some wretch, as he is hurled toward the abyss of business oblivion, may scream out the name of Rockefeller or Morgan. With a few such exceptions, the names of the leaders are mentioned publicly, except by disturbers and agitators, with bated breath, and gently, as one might name a loved one or a saint. Within the Industrial Régime is a despotism that might put many a medieval tyrant to shame.

9. *The Methods of Securing Leaders*

The old method of finding leaders assumed that they must come from a select, ruling class. The new method assumes that they are to be utilized, wherever found. The old method revolved about the aristocracy. The new method revolves about the great mass of men. Under the old scheme, leaders were to be bred; under the new scheme, they are to be found. The old idea appears under the name Eugenics; the new idea under the name Education.

The two methods of securing leaders may be contrasted:

THE OLD

1. Breeding leaders.
2. The elect.
3. Aristocracy.
4. Eugenics.

THE NEW

1. Finding leaders.
2. The ranks.
3. Democracy.
4. Education.

The experience of the human race during the past thousand years has shown conclusively that when the elect are depended upon for leaders, the most fit among the elect are frequently less fit than the most fit among the masses. The race stock in a family seems to decay. If that family be a royal family, the subjects pay a frightful price for their method of selecting leaders. The world has yet to learn whether the democratic method of selecting leaders will prove more effective in the long run than the aristocratic method. For the time being, there are millions that believe devoutly in the democratic way.

There is one man in the community who should do each piece of work that is to be done—that man is the one best fitted by heredity and by training to do the work. The right leader is, therefore, the man best born and best trained for leadership.

Heredity gives the quality of the steel. The training puts on the edge. Poor steel will not take an edge. But the best of steel will not cut unless it has been sharpened. How shall we determine whether a given piece of steel will cut? Sharpen it and see!

The old method rested its case with the education

of the elect. Why sharpen the rest of the metal in the community when everyone knew that it was either poor steel or lead? There was no reason for extending opportunity beyond the elect.

The new plan makes it necessary to begin the sharpening of every piece of metal in the community in order to determine which is the genuine tool steel. There is no means of deciding in advance which man is best able to assuming the position of community leader. The best leaders can be picked only through a process of continuous experimentation. That process is called apprenticeship when it is applied to industry and education when it is applied to the community.

10. *The Training of Industry*

True apprenticeship disappeared with the disappearance of the craft system of industry. Apprenticeship was possible while men practiced trades. Today there are practically none of the old hand trades left. Industry no longer educates. It specializes men.

Specialization does not make leaders. Rather it produces a type that has been trained to take orders and obey accurately and unquestioningly. The result of specialization is not leaders but minders.

Recently one of the largest manufacturers in his city rose in public to make an indignant comment on the inability of the workers in his mills to assume any responsibility. "I have five thousand people,"

he exclaimed, "and among them all I cannot find a man with brains enough to act as labor foreman." This manufacturer had the reputation of requiring the most implicit obedience from the men in his employ. For them his word was the final law. For years he had rigorously eliminated every man who disobeyed orders, or refused to accept the dictation of his superior. When he turned to this group for men with initiative, he found, as the product of his administration, a group of people who knew how to do only what they were told.

All manufacturers are not so exacting as this man; but all manufacturers are engaged in the organization of industry on a specialized basis that produces anything except leadership. The hierarchy of industry is being so developed that it is more and more difficult for a man to work his way up from the ranks. The room at the top grows smaller and smaller at the same time that the specialization of occupations takes away from the average worker any opportunity to learn through doing.

11. *Leadership Through Education*

The answer of the industrial world to the charge that industrialism is not producing leadership is quick and final—"The problem of leadership is the problem of the schools." Some of the larger industries are maintaining schools in connection with their own businesses, but for the most part, the education of the prospective worker in industry will be given in the public educational system.

⁴ Turn to the schools, and the same pyramiding that was commented on in connection with the organization of industry is met with in an extreme form. On the one hand, there are the few directors, or men at the top of the educational hierarchy, and the many teachers in the ranks. On the other hand, there are the many children in the lower schools and the few in the higher schools.⁵ Again there are the few teachers above and the many children subject to their authority. The pyramid is still there, with its tiny apex and broad base.

The teacher who becomes a part of the school system learns to do what she is told. If she teaches in a state like New York she is told by the Board of Regents, having charge of the educational work of the entire state. If she is a teacher in the schools of a large city, let us say Chicago, she is told by the city superintendent of schools.

The teacher is provided with a course of study, and she is notified that a certain method is the approved method for the teaching of a given subject. Then, under the eye of a supervising principal (foreman) and of a district superintendent (manager) she does her work. With the course of study prescribed and the method prescribed, the teacher has a very little leeway. The elbow room that she might enjoy is

⁵ The report of the United States Commissioner of Education for the year ending June 30, 1914, shows 19,064,787 pupils in elementary schools; 1,366,822 pupils in high and preparatory schools, and 361,270 pupils in universities and colleges, professional schools and normal schools.

lessened because of a training in a formalized normal school that was designed to prepare the teacher for just this kind of a position. There are exceptional school systems and exceptional teachers, but the great body of American school teachers have learned to do what they are told.

The machinery of the public schools is formalized. The children are no less so. They climb from grade to grade along a carefully built ladder, that is constructed on the assumption that all of the children who use it are the same kind of children. If they are not of the same kind, there is something the matter with the children. Grade above grade they go, until they reach the high school, where the tensivity of the strain is lessened, by a differentiation of courses.

During the eight years of work in the elementary school the children have been subject to one of the most sacred of all of the educational fetishes—the fetish of “Discipline.” The petty virtues such as punctuality, neatness, and obedience are elevated to a post of supreme importance in the school room. For eight years the child is taught to do what he is told.

The factory system finds its prototype in the school system. The man higher up gives the order. The teacher in the ranks obeys. The teacher passes the command on to the pupils, who accept her authority and do as they are told.

The word that most nearly characterizes the public

school system of the United States is "authority." Children and teachers alike are taught to obey, without question, the directions of those above them. The schools, more perhaps than any other institution, are inculcating in the American people an unintelligent respect for those higher up in the ranks of administrative power.

The word "Prussianize" has come to mean "control exercised in an absolute or despotic manner." There is no institution in the United States that is more completely Prussianized than the public schools. The power of the superintendent over the teacher is only exceeded by the power of the teacher over the child. In both cases the power may be exercised autocratically, without any practicable means of redress.

What have the children as a result of this school training? Is it true, as a prominent educator recently affirmed, that the great mass of children in the public schools—those who never finish the eighth grade—learn indifferently reading, writing, and simple operations with whole numbers? The employers who offer them jobs aver that it is.

The elementary schools of the United States are not organized to make leaders. They are made to create followers. The children who leave them have been taught to do what they are told. They have learned the lessons that go to the making of successful and faithful servants.

Think for a moment of the ordinary child in rela-

tion to the great school-machine. The heroes of old were fed on the marrow of lions and bears; look at the average cut-and-dried course of study. They kindled the fire of their spirits at the flash of Jove's lightning. Behold the average machine-made school teacher! When did greatness of spirit come out of the clicking of cogs? when were leaders made from the treadmill?

And the inspiration of the leader—the kindling of soul at the fire of soul—can that come from a school teacher who dare not lead in his own town? How can the teacher inspire to leadership unless he is himself a leader?

You turn, as well you may, for hope to the high schools. They have fulfilled at least a measure of their duty. Their classes have been small; their teachers well paid and fairly well chosen; their equipment has been good, and their courses sufficiently specialized to give some choice to the boys and girls entering them. One fact must not be lost sight of, however. Only a small fraction of the children who enter the first grade of the schools ever get to high school. Among the families of the well-to-do the percentage is reasonably high. Among those who have less means, the percentage falls in some sections to zero.

And the colleges?

Perhaps, in the colleges, better than anywhere else, the vice of the present educational system appears. The colleges are dealing with sap-wood.

With the exception of the professional schools, where probably it is less true, the boys who go to American colleges are for the most part "sent."

A system of education that aimed to produce leaders would begin with a hundred children in the first year of their school lives, and train them carefully, searching diligently for the strong points and talents that are latent everywhere. As these appeared, the school should foster them tenderly, as we would guard the most precious treasures in the community—the spirit of the future. Year by year, the school would test and try these talents on this thing and on that, so that each might have his congenial work. At last, whether in high school, college or professional school, when the educational world had finished its work, the youth would step into the work to which his abilities and the training of the school had prepared him.

How different the plan that we follow. The child enters the predetermined course of study; passes through the grades, as he would pass from one floor of an office building to the next; then, before he has completed the eighth year, in three cases out of four, he drops out. No, that is not a fair statement of the case. If his parents have means, he probably goes on. If his parents are poor, he probably starts to work.

There seem to be two main causes for children leaving school. One is the lack of interest that the children have in the school. The other is the shortage of family income.

High school is passed in the same manner. Then the time is ripe for college. Who shall go to college? Who does go to college? The other day I asked a senior in one of the smaller Eastern colleges whether there were any poor boys in his college. After a moment's thought he replied, "There are boys who come from the families of the respectable poor—ministers, teachers, widowed mothers and the like; but there is not one boy in the college whose father is a wage-earner." That would be less true of the professional schools; less true of the West than of the East; less true in some of the larger, better-known institutions. Nevertheless, the fact remains that of the two or three per cent of the original school population who do get to college, the great majority are undoubtedly the children of the well-to-do.

From these well-to-do families the boys are "sent" to college and "kept" there while they get what training they can.

Are the children of the well-to-do sent to college more generally than the children of the masses because they are any brighter than their school fellows? Not for a moment! They are sent to college because they are in that very small class in the community with a family income of at least \$1,000 a year in the country and \$1,800 a year in the city.

12. *The Denial of Opportunity*

The educational system is training for leadership to this extent—it educates those who can get from

their homes sufficient food, clothing, stimulus and inspiration to stay in school. The system is doing its best to pick leaders from among those who are in the schools. But in the higher years only a small fraction of the children ever enter. They are kept out by a lack of family income.

This is true despite the fact, so frequently reiterated, that the children of all classes of the population are probably about equal in capacity. After his exhaustive examination of the problem of ability among men, Lester F. Ward, in his "Applied Sociology," states his conclusion that capacity is latent everywhere. It is opportunity that is rare, not ability. "The fact that so many do struggle up out of obscurity does not so much show that they possess superiority as that they happen to be less bound down than others by the conventional bonds of society."⁶ At another place Ward thus summarizes his findings: "This again indicates the true resources (the unworked mines) that society possesses. Only ten per cent of these resources have been developed. Another ten per cent are somewhat developed. There remain eighty per cent as yet almost undeveloped."⁷ There is an immense store of unused power in the world that remains unused because the social system under which men live presses out the lives of those underneath.

⁶ "Applied Sociology," Lester F. Ward. Boston: Ginn & Co., 1906, p. 264.

⁷ *Ibid.*, p. 229.

The children who are born into the United States in the twentieth century are running the race of life. One is clad in fine, well-suited garments; another is covered with rags. One is equipped with running shoes of the most approved pattern; another is barefoot, and there are thorns and sharp rocks in the path. One starts on solid ground; another must crawl out of the mire before he can begin to run. One is sleek and well trained; another is haggard with want. One is free for the race; another is loaded down with the burden of a dependent family; one starts from scratch; the other has a start of twenty yards in a hundred-yard race. At such a race in the stadium men would turn their backs and scoff. Its blatant unfairness would arouse their deepest scorn. Yet that is the basis on which the children of the well-to-do and the children of the poor are asked to run the race of life.

We are running the race of life, some free; others loaded down with the intolerable burdens that the present order of society imposes on the poor.

Here are two boys, born on the same day, of equal ability in every particular. One boy is the son of a cotton spinner; the other is the son of a judge. At fourteen, the son of the cotton spinner is sent to the mills to help support the family. There he works for ten years, and at the end of that time he is earning ten dollars a week. The son of the judge is sent to high school at fourteen; to college at eighteen, and to the law school at twenty-one. At twenty-

four he enters his profession, backed by the reputation, position and wide acquaintanceship of his father, and equipped with the best that the world has to offer in academic training. Visit those boys in their homes at thirty-five. One will be a cotton-spinner. The other will be a successful lawyer. They were equal at the start. Their opportunity has made them what they are.

Such a situation calls from Ward his famous statement: "There can be no equality and no justice, not to speak of equity, so long as society is composed of members, equally endowed by nature, a few of whom only possess the social heritage of truth and ideas resulting from the laborious investigations and profound meditations of all past ages, while the great mass are shut out from all the light that human achievement has shed upon the world."⁸

Society, even the supposedly democratic society in the United States, has barely begun its search for leadership. The latent capacities of the people exist on every hand. There is a need for leaders, and here is the material from which leadership is made, awaiting only the opportunity for its development.

Through freedom of opportunity alone can the best men be secured for leadership. At this critical period—this turning point in the life history of the nation—when wise leadership is so imperatively demanded, there seems to be this one plain duty

⁸ "Applied Sociology," Lester F. Ward. Boston: Ginn & Co., 1906, p. 281.

before the American people. Either they must assert the principles of democracy, as they were asserted by their forefathers, and live up to them, or else they must resort to some other method for the selection of their leaders. If some aristocratic method of leadership selection is to be relied upon, let it be plainly set forth that all of the people may know the strength of the thing upon which they repose the future welfare of the nation. If the democratic principle is still to be followed, let that fact be stated in no uncertain terms.

Meanwhile the industries of the community are turning hither and thither, asking for those that will prove wise leaders. Industry itself can do its part; affording what training it may through apprenticeship; allowing room for initiative; choosing its leaders because of merit and not through favor. The part that industry can play is small, however, compared with the part that must be taken by the schools.

The schools are the one public institution that may be relied upon to afford the opportunity that will yield the development of leadership qualities. Indeed, the public school is the only people's institution that there is. If the affairs of the state are to be administered democratically, if the name "Public Opinion" is to be more than a name, the public school must make the boys and girls who come to it think.

The logical place for the provision of opportunity is the schools. If all are to have an equal right to

the development of talents, that right must be based on the work that is given in the schools.

The schools must have a vocational plan of the city, the state and the nation. They must know where the demand for men and women is most strongly felt, and then they must train and prepare their pupils to participate in those civic, social and industrial activities, not as efficient machines, but as reasoning human beings.

CHAPTER IV

POVERTY

1. *Progress and Poverty*

THE Industrial Régime has centered the attention of men on the material values in life. Itself the embodiment of materialism and devoted to the production of material goods, the Industrial Régime serves as a means of expression for the material interests. Still, wages remain low, and the leader of industry, a unit in a vast machine, finds himself asking what it all means to him and to his children.

There remains one other important aspect of the whole problem. While the laborer has contested the wage rate, and while the schools were searching for leadership through the granting of opportunity to all on equal terms, the people of the western world were forming a habit with two names—"Poverty" and "Riches."

There are a thousand reasons that rise up to condemn the habit, or, perhaps, better still, the vice of "Poverty" or "Riches." Codes of ethics, religions, moral sayings, logic, experience, understanding, join in a chorus of protest, yet the habit gets a surer and surer hold on its victims. The machine has increased wealth in unheard-of pro-

portions. Poverty has persisted while riches have multiplied. Despite the machine, or, perhaps, better still, because of the machine, "Poverty" and "Riches" have grown side by side in western civilization.

The contrast between "progress and poverty" was set forth vividly by Henry George. Like many another reformer, he felt the problem deeply, but, unlike many another one, he was able to describe it in unforgettable terms. He writes, in his "Introduction:" "The enormous increase in productive power which has marked the present century and is still going on with accelerating ratio, has no tendency to extirpate poverty or to lighten the burdens of those compelled to toil. . . . The march of invention has clothed mankind with powers of which a century ago the boldest imagination could not have dreamed. But in factories where labor-saving machinery has reached its most wonderful development, little children are at work; wherever the new forces are anything like fully utilized, large classes are maintained by charity or live on the verge of recourse to it; amid the greatest accumulations of wealth, men die of starvation, and puny infants suckle dry breasts."

Poverty is appalling, yet its true significance can be appreciated only when it is contrasted with prosperity. The association of poverty and progress is not only what Henry George called it, "the great enigma of our times," but unless the enigma can be

solved, it will prove the undoing of any society that tolerates its presence.

No thinking being can escape the issue. Here, in a richly endowed, wealthy land, the avenues of progress and the back alleys of poverty lie side by side. The greater the city, the more splendid its public buildings and private dwellings, the more frightful does this contrast appear. With ease, comfort and luxury in ample abundance, poverty lurks and snarls.

The effects of poverty are no less frightful than its presence. It blights communities, neighborhoods, families, children and unborn babies. It curses wherever it touches.

The man who has looked the issue in the face; who has seen this affluence and that wretchedness; who has taken pains to inquire; who understands something of the reason for poverty and for riches, finds the juxtaposition of the two strange, absurd, grotesque, repulsive, abhorrent, intolerable. These two things, placed side by side, are an affront to his sense of justice as they are a challenge to his manhood.

2. *What is Poverty?*

There are many different standards that may be accepted as the criterion for deciding what is poverty. First, there is starvation.

After a human being has starved to death, it is perfectly possible for the doctors to perform an

autopsy, and decide that poverty was the cause of death. It is possible for the medical profession to go even farther, and to pick a child out of the schoolroom with the diagnosis, "anemic; poorly nourished."

Starvation is not a reasonable measure of poverty because no society can afford starvation. As a social condition in a rich community, it is unspeakably immoral. Even if it is being relied upon as a means of keeping down the surplus of population, it is brutal and wasteful.

Subsistence, as a measure of poverty, is open to a similar objection from another point of view. An unvaried diet, ragged clothing and a narrow cell of a house are sufficient to keep some bodies and souls together, but they are not sufficient to keep people personally happy and socially presentable. The people living on such a standard are living below the standard of life accepted by the community. There are many people who believe that the black bread and thin soup of the French peasantry in the eighteenth century would be quite sufficient to keep alive the working population of the United States. Granted that this was true, and granted that industrial efficiency was not a desirable thing to attain, it would still be true that where one group of people is kept on the margin of subsistence, while another group enjoys the good things of life, the first group becomes a subject class, and democracy is destroyed.

No industrial group and no social group can hope



TWO WAYS OF GETTING FED

Above, in the Bread Line, are men who are evidently not hoboes. Lack of employment has forced them to stand here for hours until, after midnight, they are handed a cup of soup and chunk of bread by charity. Below, is a flashlight of a debutante dinner given by one of the wealthiest women in New York. The center of the table is transformed into a Japanese garden; perfect miniature islands with tiny trees and plants are surrounded by the water of a lake in which fish are swimming. The guests, in fancy costumes, will toy with the expensive food and wines. (Photos by Brown Bros.)

to persist that fails to make the provision for the physical health and social decency of the people upon whom its organization depends for effort and energy.

According to this definition of poverty as "a standard of life below that which will provide for physical efficiency and social decency," poverty is not pauperism. The pauper depends upon the community for support. Tens of thousands of people who live in poverty, have never accepted a penny in charity. Thus, if the family income is insufficient under reasonably careful management to buy the outside worker sufficient warm clothing to withstand the rigors of a northern winter, the family is in poverty. A serious illness of the breadwinner may so reduce the family income that it is forced to live at the margin of subsistence. Such a family is in poverty. Where clothes are so patched and darned that the other children in the school are making fun; or where the father and mother do not go to church or to public meetings because their clothes are shabby, the family is in poverty. This poverty exists whether outside help is accepted or not. Every family that is living on an income that will not provide for physical health and social decency is in poverty.

3. *The Trail of Poverty*

Apologists are not lacking who find in poverty a great incentive, a training ground for character, a

well-spring for stimulus, for integrity and fine living. One man, who had been extremely poor in his boyhood, recently wrote an essay entitled, "Why I Believe in Poverty." But when his own son graduated from an expensive preparatory school, instead of sending him to the street, to enjoy the blessings of poverty, he picked out one of the most exclusive of the smaller colleges, and entered him there.

A man who had once had a very severe case of typhoid fever—hanging for four weeks between life and death—boasted that since he recovered from the fever, more than twenty years back, he had never experienced a day of illness. There was a suggestion, in his manner of relating his experience, that his young hearers should indulge in a thorough-going case of typhoid if they wished to be well. There was at least one serious objection to taking the advice—suppose the balance turned the wrong way and you failed to pull through!

Men and women a-plenty have risen from poverty, but for each such case there are a dozen or a score where the balance has turned the wrong way. Of those who do recover from the effects of poverty, many bear the physical and spiritual scars of the struggle to their graves.

If poverty were such a blessing as some folks would have us believe, is it not strange that the whole community should dread it and hate as it dreads and hates no other contagious disease? And, stranger

still, that for each thousand that have learned of poverty at first hand by living in it and escaping from it, not one sends his children back into the slough for the building of their bodies and the saving of their souls?

The fact is that poverty is horrible. Those who are most familiar with poverty—who have observed it and analyzed it critically, find it unrelieved by any mitigating circumstance.

After years spent in the work of one of the largest New York charity societies, Robert Bruere sets down his general impressions of poverty in these terms: "Day after day, month after month, I saw strong men compelled by the starvation of their wives and children to submit to the humiliation of accepting alms; of women whose infants were undersized because they had gone hungry for months before their babies were born; children barefooted and ragged in the midst of winter, for whom their teachers asked clothing so that they might attend school; the honorable and able-bodied poor forced, by conditions over which they exercised no control, to mingle with dissipated and decrepit paupers, with the scrofulous, and those most tragic creatures—men and women—beaten in the fight for a living."¹ This picture, seen by Mr. Bruere in one large city, is repeated and reiterated whenever those who are most familiar with poverty detail their experiences.

¹ "The Good Samaritan, Incorporated," Robert W. Bruere. Harpers, May, 1910, p. 833.

An article on the New York subway workers by William H. Matthews,² president of the City Board of Child Welfare, gives an enlightening description of poverty in the families of men who are doing some of the most necessary work in the City of New York.

Mr. Matthews had been interested in relieving unemployment. When he offered a man a subway job, he was met with the retort, "Yes, I'll take a job in the subway if there ain't anything else to offer, but how in hell is a man going to support his family on a dollar and a half a day? Tell me that?"

Mr. Matthews, in answering the question, takes the reader to visit a number of families of the unskilled workers who received a dollar and a half a day. The first family lived "in the top floor back" of a dilapidated looking rear tenement. Mr. Matthews climbed the stairs at about half-past eight, and knocked at the door, which was opened by a ten-year-old boy.

"His look was a bit frightened, as was also that of his six-year-old brother who was sitting on a backless chair in a corner of the kitchen. Kitchen, did I say? Yes, it was the kitchen, living room and dining room combined, plus a single bed which crowded the little stove and dining table for room. Off this room was another, still smaller, with a little window opening on an air-shaft. Here the bed was three-quarter size. One might sit on the edge of

² *Survey*, October 2, 1915.

it and take off his shoes, provided no one wanted to pass at the same time.

“‘Where is your mother, lad?’ was my first question.

“‘Gone to work.’

• “‘How long ago?’

“‘She goes soon after six to clean a building.’

“‘Where is your father?’

“‘He goes up to the subway about seven.’

“‘And what are you and your brother doing?’

“‘Eating breakfast.’

“Yes, there it was—a pot of murky looking coffee and part of a loaf of bread.

“Knowing that there was a third child in the family, a boy of two, I inquired his whereabouts.

“‘My mother takes him to the nursery when she goes to work.’

“They were fine little chaps, these two boys of ten and six whom I had found getting their own breakfast nearly two hours after their mother had gone to work, lugging with her the other sleepy youngster. . . . Here in these two rooms was one answer to our question as to how the women and children exist when the man’s occupation is one that pays less than a subsistence wage.

“Two blocks down the street I made my next call. Here the family consisted of man, wife and four children. But the man was getting \$1.60 per day, which made it a bit better. The rooms were three of the same character as those I had just left. The

week before the mother had given up some outside work she was doing, an attack of rheumatism and quinsy making it impossible for her to continue. This morning she had gone to the diet kitchen 'to get milk and could scarcely get home, she was so weak.' Two of the children were 'not feeling well,' but they were going to be sent to the country for two weeks, which she thought would do them good. She would take them to the clinic that afternoon. Her husband was working every day now, but had been laid off some days because of water in the subway. No, she 'couldn't get along on his wages and if it wasn't for the milk and groceries which "the society" is sending us, I don't know what we would do.' Help from clinic, relief society, diet kitchen, country outings—in these was the answer in this family to our questions.

"The reply to my knock at the door of the next family to which I went was a gruff 'Come in.' It was a man's voice. As I stepped into the kitchen, its owner raised himself to a sitting posture on the couch bed on which he had been stretched. He was the father of the household. He belonged to the shift that went on at 2.30 in the afternoon and worked until 11 P. M. He was lying down 'to rest his leg.' He thought it was 'a touch of the rheumatism.'

"And he told me what other men had told me, that there was a lot of water in the shaft where he was working and he nearly always

had that trouble when he was working 'in that kind of a place.' . . .

"Until well into the afternoon of that day I continued my visiting, finding in other homes conditions similar to those in the first three—families huddled and crowded into rooms in a way that made the most elementary condition of healthful existence impossible of attainment; mothers away at work to bring in a few dollars to piece out the family income; children neglected; sickness of some kind in almost every family; relief societies, clinics, dispensaries, churches constantly being called upon for help; people who, while not utterly destitute, were ever trembling on the edge of abject poverty, struggling against hopeless odds, toiling on day after day, yet unable to earn enough to supply themselves with the reasonable material comforts of life and in more or less constant fear that its barest necessities might fail."

The conditions which Mr. Matthews describes in these homes are not confined to New York. The Pittsburgh Survey revealed them, with even greater frightfulness in Pittsburgh; there have been studies and investigations in other cities—Little Falls, Lawrence, Paterson, Johnstown, Buffalo, Chicago, Baltimore, Bethlehem—in these, and so far as we know, in every other great center of industrial activity, similar conditions prevail. The idle, the dissipated, the inefficient, are sometimes poor, but the New York families that live on \$475 a year are always poor.

4. *The Burden of Poverty*

The burden of poverty falls most heavily upon the children. One bitter morning, while the passengers in the street hurried along or snuggled into their wraps, a little girl of perhaps eight years, stepped from a baker shop. She wore a calico dress, the sleeves of which reached barely to her elbows. Her stockings were darned and torn. Her shoes were broken; her head bare. The cold had pinched her face and made purple blotches on her cheek bones. Her hands were red. Over her arm, she carried a basket in which there was a loaf of bread. She munched greedily at a cruller that the baker had given her. She was a child of poverty.

As I stood, watching, I thought back over the descriptions which Victor Hugo wrote of the Thernardier children—those frightful glimpses of the abysses of human existence.³ But this was the United States, the land of freedom and opportunity!

I saw this child growing up to womanhood, hardened, brutalized, perhaps embittered by the conditions of her life. Then I compared her with other children and wondered what she had done to deserve her fate. And I knew that she had done nothing. The fault, if fault there was, behind her poverty, lay with her parents over whose actions she could exercise no control.

³ As, for example, in "Les Misérables," Part III—"A voice which was not Madame Bourgeois' replied, 'I beg your pardon, sir.' It was a hollow, cracked, choking voice, the voice of an old man rendered hoarse by dram drinking and exposure to the cold. Marius turned sharply and noticed a girl."



A CONTRAST IN BEDROOMS

The sleeping-rooms of the very rich are often distinguished by cleanliness and simple beauty. Above is shown a room with green walls and rugs, and white-enameled furniture with green designs. (From "House & Garden.") No doubt the two little girls occupying the filthy bed of the construction camp in the lower picture would grow up to be better women if they could enjoy better living conditions. (Hine Photo Co.)

This girl was a child of poverty—one of millions in the United States. Her kind exist where wealth is most abundant; where the greatest progress has been made. She was a living, human embodiment of the message which is contained in the figures bearing on poverty.

The prevalence of poverty is readily measured in terms of child nutrition. Where children lack sufficient nourishing food, the family is usually poor.

The conditions of poverty prevailing in individual families led the Chicago Board of Education to make an investigation of Chicago school children, which it concluded with the statement: "Five thousand children who attend the schools are habitually hungry," while ten thousand other children "do not have nourishing food." "Many children lack shoes and clothing, many have no beds to sleep in. . . . We find that a large number of children have only bread saturated in water, day after day; that the noon meal is bread or bananas, and an occasional luxury of soup made from pork bones."⁴ Mrs. Bryant sums up all of the available evidence on the subject by stating, "The probable number of seriously underfed school children in New York and other American cities is ten per cent of the school population."⁵ She adds: "The terms poverty and under-feeding are practically synonymous."

⁴ For further details see "Social Adjustment," Scott Nearing. The Macmillan Co., 1911, pp. 75ff.; also "Financing the Wage-Earner's Family," Scott Nearing. B. W. Huebsch, 1913. Chapters II, III and IV.

⁵ "School Feeding," Louise S. Bryant. Philadelphia: J. B. Lippincott Co., p. 204.

Here, perhaps better than anywhere else, is an adequate measure of the burden of poverty. Resting with crushing weight upon tiny shoulders that are not fitted to bear any burdens, it starves, freezes, destroys child life.

Many people believe that the poor deserve their poverty because they are idle, shiftless, inefficient, vicious, dissipated. That is not true, but even if it were, here are the children. They have come into the world at the behest of others; they are as yet incapable of self-support; they are the future bone and sinew of the commonwealth—and they are being wrung dry in their babyhood by the savage stresses of poverty.

Space does not permit a more detailed statement of poverty as it is, and no more detailed statement is necessary. The crimes of poverty are epitomized in its crime against childhood.

John Galsworthy, in one of his most striking passages, thus describes poverty:

“Of a night without stars—wind withdrawn,
God’s face hidden, indignity near me,
Drink and the paraffin flares to sear me—
Dust-colored hunger—so was I born!

“Of a city noonday—sand through sieve
Sifting down, dust padding the glamor—
I of the desolate, white-lipped clamor
Millioning fester—so do I live!

“Of a poor-house morning—not asking why,
Breath choked, dry-eyed—death of me staring;
Voices of strangers, and no one caring—
God! who hath made me!—so shall I die!”

Poverty, with its hideous burdens, casting its sombre shadows! Poverty, from birth to death! Was ever frightfulness more frightful?

5. *Crime Begins in Poverty*

Poverty must be judged by its results. Like every tree, it may be known by its fruit. What are the fruits of poverty?

The Chinese proverb, "Crime begins in poverty," seems to be verified by the experience of American penal institutions. The people who go to jail are usually the sons and daughters of the poor.

The recent discussions of the relation between vice and poverty have gone far astray. Commissions have sought to demonstrate that there was a direct connection between low wages and prostitution. This girl was making six dollars a week. Because of that fact, she sold her body. Such a connection rarely exists. The relation that does exist is far more significant. The ranks of prostitution are recruited from among the daughters of the poor.

Some time ago I visited a night court into which the prostitutes picked up in the street or found in disorderly houses were brought. The officer in charge opened the records and we went over them together, covering a period of many months. The great majority of girls had been earning less than six dollars a week at their last jobs; a small number had earned between six and eight dollars; and only an occasional girl had more than eight dollars. These were verified records.

Two recent studies, made in houses of refuge, where the great proportion of the girls are sent for immorality, show that practically all of the fathers of the girls committed were earning less than \$1,000 a year. In the case of one institution, the records of 1,000 girls committed between 1909 and 1914 were examined. In this entire group "no father was earning more than \$800."

A committee of the Illinois Senate issued an elaborate report on vice in January, 1916. In this report are summarized the findings of this committee, together with the findings of other vice committees and commissions. Here are the first three findings of this committee with regard to "the social disease of prostitution:" "(1) Poverty is the principal cause, direct and indirect, of prostitution." "(2) Thousands of girls are driven into prostitution because of the sheer inability to keep body and soul together on the low wages received by them." "(3) Thousands of girls are forced into industrial employment by the low wages received by the fathers; that they are separated from proper home influences at an exceedingly early age; that they are inadequately schooled and insufficiently protected; and that many of them become recruits for the system of prostitution." The committee was unable to learn of "a single prostitute in any city of Illinois visited over which its investigations operated who had come from a home of even moderate prosperity," while "the highest standard of morals

exists among the girls in the high schools, colleges and universities of the state." Broken homes, poverty, lack of education, inexperience and youth in the face of overwhelming odds—these are the forces that breed the recruits for the system of commercialized vice.

The daughters of the poor are no more vicious by nature than the daughters of the well-to-do. They are surrounded by temptation and subject to every conceivable influence that would make them go wrong. The protecting care of the well-to-do home is next to impossible in the homes of the poor. Were the daughters of the well-to-do subject to the same circumstances of life that besiege the daughters of the poor, they, too, would crowd the reform schools and houses of refuge.

To a less extent, but none the less surely, the men who find their way into the paths of crime are mainly the children from the families of the poor. Street life and child labor breed delinquency and it is the poor boy who is most frequently the victim of street life and early work.

6. *Poverty and Disease*

The connection between poverty and vice and crime is difficult to trace. There are uncertainties and inaccuracies that cannot be completely cleared up. The relation between poverty and disease is unquestionable and unquestioned.

A well-known tuberculosis expert recently said,

"I go about talking against tuberculosis, advising good food, milk, eggs, fresh air, sunshine; and while I am talking I know that on the wages they receive these people cannot possibly afford the things about which I speak." He said it bitterly and with a half laugh. Then he added, "Most of the advice given to the poor could be followed if they were not poor."

The Survey for August 14, 1909, carried an article by Sherman C. Kingsbury, superintendent of the United Charities of Chicago, "On the Trail of the White Hearse." In August, 1908, 719 babies died in Chicago from diarrheal diseases, and a map with a dot on it for each death shows that these deaths clustered in the wards where the poor lived. In this district, "insanitary plumbing and lack of health conveniences do their deadly work. It is the destination of the poorest milk sold in the city. It is where streets are cleaned least often or not at all; where stale bread and oldest meat are sold." There, in the homes of the poor, the children died, wholesale.

Some of the most remarkable figures that have appeared during recent years are contained in a study by the Federal Children's Bureau of infant mortality in Johnstown, Pa. They are doubly valuable at this point, since they cover children under the age of one year—children that cannot possibly be held responsible for the conditions in which their lives are laid.

Every baby born in Johnstown in 1911 was followed up for one year. The results of the study are

summarized thus: "The highest infant mortality rate is found . . . where the poorest most lowly persons of the community live—families of the men employed to do the unskilled work in the steel mills and mines" (p. 16). "Prospect ranks next to Woodvale" with a death rate of 200 per 1,000 children born. The district "has not a single properly graded, drained and paved street" (p. 17). "The down-town section, where are to be found many of the best-conditioned houses, the homes of many of the well-to-do people, has the lowest infant mortality rate in the city, it being but 50" (p. 19). Here is an adequate measure of the difference between the deaths of 271 and 50 babies in a thousand. The death rate among the poor is more than five times that among the well-to-do.

TABLE IV. — INFANT MORTALITY RATE IN RELATION TO WAGES,
JOHNSTOWN, 1911.

Annual Wage of Father. ?	Infant Deaths per 1,000 Births.
Under \$521.....	255.7
\$521 to \$624.....	157.6
\$625 to \$899.....	122.1
\$900 and over.....	96.8
\$1,200 and over.....	83.3

Later in the report appears the above grouping of infant deaths according to the income of the father, which shows "the greatest incidence of infant deaths where wages are lowest and the smallest incidence where they are highest, indicating clearly

the relation between low wages and ill health and infant deaths" (p. 45).⁶

Dr. Louis I. Dublin, the statistician of the Metropolitan Life Insurance Company, New York, printed a paper on "Infant Mortality in Fall River."⁷ The study covered 833 infants born in June, July and August, 1913. Dr. Dublin summarizes his findings with the remark, "If, as has been shown above, the infant mortality is higher where mothers are engaged in outside work, we have discovered, in the low earnings of the father one more link in the vicious chain of causes which place the infant mortality of Fall River among the highest in the country."

The disastrous effects of poverty upon infant mortality have been demonstrated again and again. William B. Bailey, in his "Modern Social Conditions," pages 251-52; the Parliamentary Committee on Physical Deterioration, Appendix; the city authorities of Berlin and other German cities; the statisticians in charge of the vital statistics of Great Britain, all agree that in the trail of poverty there follow "High death rates, a pitiful increase in infant mortality; terrible suffering among little children; scrofula and congenital diseases; ophthalmia due to dark, ill-ventilated, over-crowded rooms."⁸

⁶ Similar contrasts between the infant death rate among the poor and the well-to-do are shown for Montclair, N. J., the third city in the United States in per capita wealth. *Infant Mortality Series*, No. 4. Washington: Government Printing Office, 1915.

⁷ Publications of the American Statistical Association, June, 1915.

⁸ Charles R. Henderson before the American Academy of Medicine, June 20, 1914. *Papers and Discussions*, 1915, pp. 64-65.

The figures cited thus far have dealt with infant mortality alone. There is equally conclusive evidence of the effect of poverty on sickness and death among older people. One excellent example is furnished by the investigation into the relation between congested living and typhoid, conducted in Pittsburgh as a part of the Pittsburgh survey. After citing some illustrations of congested living, the author says: "How much of the Pittsburgh typhoid has been due to direct contagion from such conditions as these can only be inferred at the present writing. "Several cases follow in which the relation is apparent. In one family, consisting of man, wife, four children and three lodgers, crowded into two dirty rooms, a three-year-old boy was taken sick in October. The mother did the family cooking and cared for the patient. The cesspool in the yard, which was in bad condition, was used by two families. Another member of the family became ill November 3d, and the mother came down on December 19th. There were seven cases in this one courtyard within the year.

"In another instance a man, wife and nine children were living in three rooms. The sixteen-year-old son was taken sick on June 20th and was sent to the hospital. Then in July came the thirteen-year-old daughter, for whom her mother cared at home. The mother also did the family cooking. The father, mother and eleven-year-old son all slept in the same room with the patient. All three

of them followed within a month, and another son, twelve years old, was taken sick in August.

"In another family of eight, the sink in the kitchen and the toilet in the yard were in a very filthy condition. The mother and one son were taken sick in August. The sick and the well slept together in crowded bedrooms. In November four more members of the family came down with the disease, on the 6th, 9th, 11th and 15th respectively."⁹

This is one illustration of a general situation that is met with wherever the facts have been ascertained. Thus in Finsbury, England, the death rate per thousand in 1903 for those families that lived in one-room tenements was 38.9. "Yet the rate among occupants of four or more rooms was 5.6 and for the whole borough, 19.6."¹⁰ In Glasgow, "the death rate from pulmonary tuberculosis is 2.4 per thousand in one-room tenements, 1.8 in two-room tenements, and 0.7 in all other houses."¹¹ The same report, as a part of Appendix XI, contains the figures in the table on the next page.

These figures bear out the experience of American life insurance companies, whose tables show that the length of life among wage-earners is far shorter than among the well-to-do.¹² Disease and death are the logical products of poverty.

⁹ "Thirty-five Years of Typhoid," Frank E. Wing. *Charities*, February 6, 1909, p. 932.

¹⁰ Committee on Physical Deterioration, *op. cit.* London, 1904, Vol. 1, p. 17.

¹¹ *Idem.*

¹² "Insurance," W. A. Fricke, 1898, p. 240.

TABLE V.—DEATH RATES FROM “ALL” AND FROM “CERTAIN”
CAUSES IN HOUSES OF SEVERAL SIZES, GLASGOW.

Size of House.	Deaths per 1,000 of Population.	
	All Causes.	Respiratory Diseases.
One apartment	32.7	7.7
Two apartments	21.3	4.6
Three apartments	13.7	2.4
Four apartments and upward	11.2	2.0

7. “*Let Him be Poor*”

Poverty is no longer a virtue. Many of the philosophers have extolled poverty. During the Middle Ages the Church preached it. As an antidote for the dissipated, voluptuous life of the court, it had undoubted merits, but in the guise that it assumes today it has laid aside its virtues and added richly to the list of its vices.

Modern thinkers and writers teach against poverty. Ruskin questioned it, writing in his “Political Economy of Art” of “the just and wholesome contempt in which we hold poverty.”

Some of the later writers curse it. Shaw makes Undershaft (Major Barbara) exclaim, “The worst of crimes. All other crimes are virtues beside it. . . . Poverty blights whole cities; spreads horrible pestilences; strikes dead the very souls of all who come within sight or sound or smell of it.”

The Introduction to the same play explains, in greater detail, Shaw’s view of poverty. He assumes

that in a certain case of poverty someone protests, "Let him be poor." This is Shaw's answer: "Now what does this 'Let him be poor' mean? It means let him be weak. Let him be ignorant. Let him become a nucleus of disease. Let him be a standing exhibition and example of ugliness and dirt. Let him have rickety children. Let him be cheap and let him drag his fellows down to his prices by selling himself to do their work."

Many centuries ago a great sage observed, "The destruction of the poor is their poverty." Not their vice, not their shiftlessness, not their inefficiency, but their poverty destroys the poor. The doctrine is still sound. Today, as of old, the thing that destroys the poor is the fact that they are poor.

8. *Dives and Lazarus*

While the poor are being destroyed by their poverty, the rich are enjoying their abundance. Lazarus still challenges Dives, and the time seems to have passed when he is content merely to eat of the crumbs that fall from the rich man's table.

Ruskin, in his essay on "Work," comments on the distinction between Lazarus and Dives, which, he says, "exists more sternly, I suppose, in this day, than ever in the world, Pagan or Christian, until now." It is very hard to determine that the distinction is greater at one time than it is at another, but certainly the contrast exists in accentuated form. Poverty is breeding vice and crime, scatter-

ing disease, killing babies and wrecking homes while the feast of Dives go on.

The winter of 1914 found times hard in many parts of the United States. There was one large city in particular where the straits of the poor were so desperate that the ordinary means of dispensing relief proved utterly inadequate to meet the task in hand, and an emergency committee was organized. This emergency committee inaugurated an energetic campaign of publicity. The newspapers helped them liberally, and they told the people, among other things, that throughout the poorer sections of the city babies were dying and that "56 cents per week will save one baby."

There were babies in the city who were starving and "56 cents per week will save one baby." While that condition still persisted; while the babies were dying for lack of 56 cents a week, the notables of the city held their Assembly Ball. Fourteen hundred people, gorgeously arrayed and decked with jewels—people who were well fed and comfortably housed—came together, danced, ate and drank at an expense of tens of thousands of dollars, and "56 cents will save one baby."

There were Lazarus and Dives. The starving babies and the feasting, merrymaking throngs of comfortable men and women who had never known even the taste of want and hardship.

There is something worth pursuing beyond the bare contrast. Here are Lazarus and Dives living

side by side in the same city. What is the relation between them? Dives is bestowing the crumbs on Lazarus. Can Lazarus make a return to his benefactor?

The passage quoted from Ruskin's essay on "Work" goes on to an examination of that problem. First, Ruskin points out the just basis for the distinction between poverty and riches. "The lawful basis of wealth is that a man who works should be paid fair value of his work; and that if he does not choose to spend it today he should have free leave to keep it and spend it tomorrow." There is another side to the question: "The power held over those who earn wealth by those who levy or exact it." After explaining the method used by the medieval baron to secure wealth by preying on the results of other men's labor, Ruskin comments: "Money is now exactly what mountain promontories were in old times. The barons fought for them fairly; the strongest and cunningest got them, then fortified them and made every one who passed below pay toll. Well, now capital is exactly what crags were then. Men fight fairly (we will at least grant so much, though it is more than we ought) for their money; but once having got it, the fortified millionaire can make everybody who passes below pay toll to his million and build another tower of his money castle; and I can tell you, the poor vagrants by the roadside suffer now quite as much from the bag-baron as ever they did from the crag-baron. Bags and crags have just the same result on rags."

If this analysis is correct, a new relation appears. Can it be possible that Lazarus laid the feast which Dives ate, and received, as his part, a morsel from the leavings?

9. *Why are They Poor?*

The appeal from the Emergency Aid Committee in the city where babies died for the lack of 56 cents' worth of milk, while 1,400 of the leading citizens spent their money liberally on a dance, stated some plain truths. It also contained some of the most extraordinary comments. Thus, for example, one statement (February 12, 1915) reads: /

“THIS IS NOT AN APPEAL FOR ORDINARY CHARITY
—IT IS AN APPEAL TO SAVE A CITY FROM
CALAMITY.

“Sober, upright, industrious, God-fearing men are out of work—thousands of them. In cold homes, the women and children are waiting, with pathetic patience. They are hungry—often ill—and day by day the desolation and desperation increase. It does not matter what cause has brought about the misery. It is enough that it is here.” Below these sentences were the names of the wives of many of the leading business men in the city.

Notice the last sentence: “It does not matter what cause has brought about the misery.” Could anything be more extraordinary? If the city had

been plagued with flies, if an epidemic of typhoid or tuberculosis were raging, the very first question raised would be the question of cause. Why try to cure fever if the germs are being fed in by the billions through the city water supply? Here is widespread misery. The first question that would naturally present itself to the man of even moderate intelligence is the question "Why?"

Poverty is prevalent. It is cursing whole sections of the population. The question of first importance is this: "Why is poverty?"

Recent years have witnessed a number of energetic attempts to analyze the causes of poverty. No one can say finally this cause or that one is responsible for a definite percentage of the poverty in the community, but more general statements may, with justice, be made.

There was a time when people were sent to prison for debt just as they were sent to prison for theft. The assumption was that the poor man was responsible for his poverty. He was vicious, drunken, lazy, inefficient. These things, like any other personal offenses, were punished personally.

The latest work that has been done on poverty makes it possible to say, unequivocally, that personal vices and personal shortcomings are not the chief causes of poverty. Indeed, they are insignificant when compared with the larger social causes that are responsible for poverty.

An examination of the figures cited in Bliss'

"Encyclopedia of Social Reform," in Warner's "American Charities;" in Devine's "Misery and its Causes;" or in the reports published by the larger charity societies indicates that the personal shortcomings play very little part in the poverty that brings people to the charity societies. Social forces like unemployment, accidents, sickness, widowhood and the like are largely responsible for poverty.

Hollander, in his masterful summary of the causes of poverty, makes this statement: "The great supply-sources of poverty are the underpaid, the unemployed and the unemployable."¹³ Bliss, Warner and Devine set their standards largely in terms of pauperism. The people covered by the figures asked for help. Hollander is facing the matter in a broader way and making his estimates in terms of the entire community.

A moment's reflection will reveal the justice of Hollander's position.

The facts regarding the relation between the cost of decent living and the wages paid by American industry have already been stated. Millions of adult male workers are receiving a wage that cannot possibly support a family in physical health and social decency. It is this fact that leads Hollander to place the underpaid first as the chief supply-source of poverty. He writes: "Poverty, in its practical aspect, is a phase of the wage question.

¹³ "The Abolition of Poverty," J. H. Hollander, p. 107.

Large bodies of toilers are in receipt of incomes less than enough to maintain wholesome existence, and it is from this class that the mass of the poor are mainly recruited."¹⁴

The chief cause of poverty is low wages. People are poor because the rate of wages paid by the industries of the United States will not permit them to be anything but poor.

Those who have been in the habit of thinking of poverty as a result of personal vices, should reflect on the relations that actually exist between people in the various walks of life in present-day society. No group of people has a monopoly either on the vices or the virtues. Not all of the people who drink are poor; not all vicious people are poor; nor are all dissipated, extravagant, idle, shiftless, inefficient people poor. Such people may be found in every economic group from the poorest to the richest. There is one group of people who are always poor—the people who are paid less than a living wage. The relation between low wages and poverty is as intimate as the relation between cholera microbes and cholera. The poor are poor, in the first instance, because the wages they get are poverty wages.

How inevitable, then, the conclusion which Professor Hollander sets forth on the next page of his book. "In the largest sense, it remains true that the most effective aid for those below the poverty line lies in the increase of income" (p. 47).

¹⁴ "The Abolition of Poverty," J. H. Hollander, p. 46.

Next to low wages, the great outstanding cause of poverty is unemployment, which Doctor Devine describes as the greatest of all maladjustments. Rowntree and Lasker write of it as "a social evil appalling in its magnitude."¹⁵

Unemployment is always present. "A definite quota, varying from two to ten per cent of the working force of every industrial community, are doomed at any given time to involuntary idleness."¹⁶ Census, state and private figures show that there is always an irreducible minimum of unemployment. Sickness, accidents and shortage of work prevent the worker from engaging in his customary pursuits. All of the recent analyses of the causes of poverty place unemployment at the head of the list of the causes that lead to poverty.

There are three other factors that, though less immediate and direct, cannot be overlooked, because of their ultimate connection with poverty: (1) The poor man pays the highest rents and the highest prices (because he buys in small lots) and gets the poorest stuff; (2) We eagerly seize the products of poverty; (3) We let his children grow up in poverty and become accustomed to it. These, again, are social forces.

One ward in Johnstown where an appallingly high infant death rate was reported, had not a single decently graded, paved and drained street. Any-

¹⁵ "Unemployment," London, 1911, p. 310.

¹⁶ "Abolition of Poverty," *op. cit.*, p. 82.

thing is good enough for the poor. Their curse is their poverty. They have no effective means of protest, and because of this fact, a certain type of cowardly, wolfish human creatures prey on them, exploit them and wring from them every penny that they can exact.

Theoretically, the weak and the defenseless should be given special consideration. They are unable to take care of themselves adequately, and hence their fellows should care for them. Practically, the poor are exploited because they are poor.

High prices and high rents are as effective in grinding the faces of the poor as are low wages. Both add to the intolerable pressure that life places upon them.

We eagerly seize the products of poverty. Many things are cheap because of the cheap labor done on them. Bargains are all too frequently tainted with the bitterness of poverty, yet people are glad to get bargains, without being over anxious to know their origin, lest their enjoyment of them might be decreased by the knowledge of conditions surrounding their origin.

Low wages, high rents, high prices and bargains are some of the social forces behind poverty. Dives gains through low wages, lives on high prices and high rents and luxuriates on cheap, poverty-stained products. The well-to-do, respectable part of the community depends for much of its comfort and respectability upon the exploitation of the poor.

Low wages, high prices and cheap prices are approved, commanded, enjoyed and defended by those who reap the benefits from them. Meanwhile the weight of poverty rests a crushing load upon the poor.

They are poor because wages are low and rents and prices are high. Their poverty makes possible the ease of the respectable and the well-to-do. The weight of civilization rests most heavily upon the backs of those who are, of all others, least able to bear its burdens.

And then, facing this abyss which we have created and maintained, we dare to say, "God's poor." Many a social crime besides poverty has been laid at the door of the Almighty, but surely, never was the affrontery more complete. God's poor?

Men working for prosperous industries are paid wages that make poverty inevitable. God's poor? The Steel Industry's poor; the Cotton Mills' poor; the Coal Mining poor and the Contractors' poor!

Unemployment is rampant and there are no intelligent steps taken to prevent it or to distribute the risks and hardships when unemployment does come. Rents and prices are high. The bargain hunter eagerly snatches the products of dying wages. Babies grow up to grovel in the squalor of the rookeries and slums. God's poor? Our poor!

Poverty is a social crime. The cause of poverty lies at our doors. People are poor because we make

them poor. Children are growing up in poverty because we allow them to do it.

10. *The Challenge of Poverty*

Perhaps these things about poverty are not true. In that case, they need give the community no concern, but if they are true—there are few students of the problem who question their truth—poverty is one of the most savage challenges that confronts modern civilization. That the richest country and the richest centers in that rich country should permit children to grow up under the conditions of life that poverty involves would be grotesque if it were not so sinister. Side by side, the hovel and the palace.

The hovel challenges the palace—questions it, threatens it, and the palace is built on the hovel.

When the Great Louis impoverished France to build Versailles, he was erecting his palace on the hovels of the French peasantry. If his taxes had been less heavy, the people of France could have afforded better homes. His palace was built, however, and he and his court lived in boundless luxury while the people of France suffered hardship and privation.

A great man of England—one of the hereditary chiefs of the country—owned a piece of property in one of the larger English cities upon which there had been erected a frightful slum. Year after year the agents of the great one collected rentals

from the tenants. Year after year the great one rode and hunted and played and enjoyed. He was living on the proceeds of a slum. They were poor. He was rich. From their meager incomes they paid out large sums in rentals to this man who had never known what it was to want.

Furthermore, it was these slum dwellers and their kind who had built the palace and who were turning out each day the cotton and steel upon which the prosperity of England rested. They worked while the great one enjoyed the fruits of their labor.

The Children's Bureau, in its report on Johnstown, stated that where the infant death rate was highest, lived the "families of men employed to do the unskilled work in steel mills and mines." They shoulder the dirty work of the world, and out of the proceeds of their activity, while they receive a pittance, the masters build their gorgeous living places.

The masters have perpetuated the slum for their profit. They maintain poverty because for them it means prosperity. The real estate interests fight housing reform; the manufacturing interests fight minimum wage laws and child labor laws. They keep the slum because there is profit in the slum. They pay dying wages because there is profit in dying wages. They employ child labor because there is profit in child labor. The leaders of industry and finance fight trade unions and socialism because, in the promise of unionism and socialism, they see lessened opportunity for profit to themselves.

Victor Hugo makes Gwynplaine exclaim, "The heaven of the rich is built upon the hell of the poor."

That is true. The rich know it. The poor are learning it.

Had the masters wished to banish the slum and abolish dying wages, they might have done so. Had they been as anxious to wipe poverty from the earth as they have been to build up property rights, they could have done so. The will, not the way, was lacking. When they prayed, as some of them did pray, "Thy kingdom come on earth," they were serving with the lips. The heart and the mind were both bent on a retention of the present system.

The poor could not. The rich would not, and while poverty, with vice and crime and ignorance, her running mates in the race of shame, stalked abroad, the masters rested, smug and satisfied.

Whose was the fault? The ignorant were poor; the educated and culture were content. Says the old Bishop, "This soul is full of shadow; sin is therein committed. The guilty person is not the person who committed the sin, but the person who created the shadow."¹⁷ Poverty casts its shadow. Crime, vice and ignorance flourish there. The masters, and not the poor, cast the shadow.

The well-to-do—the masters of the Industrial Régime—who direct its activities and reap its benefits are living on the backs of the poor.

¹⁷ "Les Misérables," Victor Hugo, Vol. I, Part 1.



THE VAMPIRE

The worker in his sweatshop, ignorant of the fat exploiter who is sucking out the blood of his life. (A vampire is a monster which lives upon human blood, according to old legends. A cartoon by E. M. Lilien.)

11. *We Must Get Off Their Backs*

Are we willing to get off from the backs of the poor? Are we willing to relieve them—the weak—of the social burdens that should be borne only by the strong? Are we content to do our part in the eradication of poverty?

The first move in getting off the backs of the poor is to pay them living wages. The community will not fulfil its duty to the workers until every person who works has a living wage in return for his work. If the man is in a position that requires him to support a family, that wage must include family support.

No less important than the living wage is the regulation of the conditions of work so that due allowance is made for unemployment, for trade risks, industrial diseases, accidents and the like. By such means the play of industrial forces may be paid for by the industry as a whole and not by any individual worker. The insurance principle—that risks are less burdensome when they are borne co-operatively by a group—must become one of the fundamental principles of industry.

Those who would get off the backs of the poor must see to it that the things supplied to the poor are good in quality and fair in price. If it is unjust to exploit the well-to-do, who can in a measure protect themselves, it is doubly unjust to exploit the poor who are defenseless.

Above all else, if we would get off the backs of the

poor, we must relieve the children of the poor of the intolerable burdens of poverty. They die in babyhood; they are underfed, ill-clad, badly housed and deprived of the manifold advantages that flow from good home life. They must be fed, clothed, housed and given every possible educational advantage if they are to have even the semblance of a fair opportunity in the race of life.

We must get off their backs—economically and socially. We must insure them fair treatment and guarantee to their children equal opportunity.

CHAPTER V

RICHES

1. *The Heaven of the Rich*

POVERTY is an individual curse and a social sin. It blights and destroys the lives of its victims. It is a disease, and existing, as it does, side by side with the unparalleled increase in productive power that has resulted from the use of the machine, it challenges civilization.

Poverty is an outstanding feature of present-day civilization. So is riches.

Side by side in the United States are great want and great wealth. Poverty and riches seem bound to each other by some fast-holding tie. Where one is found, there, also, is the other. On closer examination, it appears that the heaven of the rich is founded upon this hell of the poor. The rich man for his paradise is dependent upon the poor man in his squalor. Lazarus sets the feast for Dives and then eats of the crumbs that fall from the rich man's table.

The lot of the poor is a veritable hell—hideous in all of its aspects. The more closely it is viewed, the more frightful does it appear.

The frightfulness of poverty needs no further

emphasis, after the facts cited in the last chapter. The time has come, however, to turn from the hell of poverty to an examination of the heaven of riches.

Americans have a certain abiding faith in riches that has led to no end of misunderstanding among people in other parts of the world. They praise riches in their homes, extol it in their schools, bow to it in the community life. Even though money is the root of all evil, they dig for it assiduously.

Everywhere there is a feeling that the saying of Solomon, "With all thy getting, get wisdom," should be so altered as to read, "With all thy getting, get riches." "For surely," they contend, "all things that thou canst desire are not to be compared with them."

The belief in riches is so general in the United States that it resolves itself into a kind of creed or confession of faith. Nine men and women out of every ten who are not rich would jump at the chance to be rich without inquiring seriously into the causes or the effects of riches. The hope for riches and the belief in riches has become a species of American second nature.

The last hundred years have seen a phenomenal increase of riches in the United States, and particularly since the Civil War, the number and the wealth of individual rich men have grown fabulously. Today, America numbers her millionaires by the thousands, and there are about one hundred and

fifty persons whose incomes exceed a million dollars a year. The leading cities are full of palatial residences; pleasure hotels are able to collect immense fees for the supply of regal luxury; vast funds are donated for charity and philanthropy; and the private and public expenditures of the rich in pursuit, largely, of their own enjoyment are staggering in amount.

There is an oft-quoted saying of a great teacher, "Ye cannot serve God and Mammon." The assumption is that men must choose between the two fealties.

Confronted by the choice between the service of God and of Mammon, Americans, for the most part, have frankly chosen Mammon. Their attitude toward the question makes it quite evident that they believe that the service of Mammon is, on the whole, a quite acceptable substitute for the service of God.

There lies the issue. Can men serve Mammon? Granted that they cannot serve God and Mammon, is the service of Mammon a desirable one? Can the Mammon-server survive?

2. *The Wealth Machine*

A very small number of people are rich. In olden times, to be rich meant to have plate, bullion, jewels and sometimes great landed estates as well. The rich man today is in a very different position.

Incidentally, the modern rich man may have

a supply of plate, bullion and jewels, but in the first instance he secures possession of income-yielding property—stocks, bonds, mortgages and the like.

There are two ways in which a man may make a living. He may work for it or he may own for it. The worker receives an income because of some service that he renders. The owner's income is based on his ownership.

The contrast may be illustrated in this concrete manner. Here is a man who manages a signal tower for the railroad company. Each year he receives \$1,000 for his services. Yonder a man owns \$20,000 of the railroad company's five per cent bonds. He receives \$1,000 a year for his ownership. The tower-man is paid because he works. The bond-man is paid because he owns.

The claim of the property owner is prior and is perpetual. Modern business is so organized that the first shock of industrial depression is carried by the discharged workman. The dividends may be paid on the stocks. The interest will be continued on the bonds. The first burdens of industrial hardship are saddled on the wage-earner. The rich man who invests his money carefully is a thousand times more secure than the worker who is engaged in the productive work of the community.

There has never been established a right to work, but there is a virtual right to property income. At all times money invested in a savings bank will draw interest. Practically the same security is found in

gilt-edge bonds, mortgages and other forms of income-yielding property.

The modern wealth machine has been so devised and evolved that it is only necessary for an individual to become the owner of property in order to be secure in his income. A man who can get title to \$100,000 in money can exchange it for five per cent bonds or mortgages, and receive an income of \$5,000 a year. He may live for forty years, drawing this income each year. Then he may place the \$100,000 in trust for his son, who lives, let us say, sixty years, drawing the income each year. This son, in turn, may hand the property on to a grandson, but even the two generations of father and son, from this \$100,000 have received \$5,000 a year for 100 years, or \$500,000 in wealth. It is perfectly conceivable that neither of them earned the money. No one asks that question. The possession of \$100,000 entitles the owner and his heirs to a \$5,000 income so long as they continue to own the \$100,000.

One of the weekly papers, in a recent issue, carried this amusing parody on the wealth machine.

"What did you tell that man just now?"

"I told him to hurry."

"What right have you to tell him to hurry?"

"I pay him to hurry."

"What do you pay him?"

"A dollar a day."

"Where do you get the money to pay him with?"

"I sell bricks."

"Who makes the bricks?"

"He does."

"How many bricks does he make?"

"Twenty-four men can make 24,000 bricks in a day."

"Then, instead of you paying him, he pays you six dollars a day for standing around and telling him to hurry."

"Well, but I own the machines."

"How did you get the machines?"

"Sold bricks and bought them."

"Who made the bricks?"

"Shut up, he might hear you."

This is one proposition from which there is no escape. Bricks, shoes, chairs and every other usable thing were made by somebody. The significant question relates to the manner in which they are secured by the user. Cash payment is not final. There are reasons behind even cash payment.

There was an excellent illustration during the winter of 1913-14 of the workings of the wealth machine. Reports indicated that in New York City a very large number of persons—from 250,000 to 400,000—who had work ordinarily, were unemployed. They and those dependent on them needed food and clothing. The landlord demanded rent, but there was no work, because thousands of industrial establishments had shut down temporarily. During each of those winter months, when the suffering was so general and so intense,



DIFFERENT KINDS OF DINING ROOMS

The suffering and destitute old woman shown above had to use her stove for dining room table. She slept in the same room. Photograph taken by Charles F. Weller and used by permission from "Neglected Neighbors." The marble fireplace, carved ceiling, costly paintings and elaborate furniture of the dining room shown below, suggest the luxury enjoyed at meals by wealthy families. (Photo from "House & Garden.")

one man, living near New York, was in receipt of an income of about five millions a month. Was he in need of those five millions? Hardly! He was already the possessor of some \$800,000,000 of wealth, and it was for that reason that he received an income of about \$60,000,000 a year. Here was a man of fabulous wealth, with an income of more than a hundred dollars a minute, while almost at his door there were hundreds of thousands of industrious people unable to get work—hungry, cold, suffering.

The situation is grotesque. It fulfils, with dreadful exactness, the saying, "To him that hath shall be given, he shall have more abundance; but from him that hath not, shall be taken away even that which he seemeth to have."

The wealth machine, enabling some to live by owning upon the products made by those who live by working, has produced no more vicious result than this—the workers suffer hardship while the owners bask in nameless luxury.¹

¹ Note this keen characterization of the present industrial order in Edward Bellamy's "Looking Backward":

"By way of attempting to give the reader some general impression of the way people lived together in those days, and especially of the relations of the rich and poor to one another, perhaps I cannot do better than compare society as it then was to a prodigious coach which the masses of humanity were harnessed to and dragged toilsomely along a very hilly and sandy road. The driver was hunger, and permitted no lagging, though the pace was necessarily very slow. Despite the difficulty of drawing the coach at all along so hard a road, the top was covered with passengers who never got down, even at the steepest ascents. The seats on top were very breezy and comfortable. Well up out of the dust their occupants could enjoy the scenery at their leisure, or critically discuss the merits of the straining team. Naturally such places

Those who live on their incomes are living on the work done by others. They are economically

were in great demand and the competition for them was keen, every one seeking as the first end in life to secure a seat on the coach for himself and to leave it to his child after him. By the rule of the coach a man could leave his seat to whom he wished, but on the other hand there were many accidents by which it might at any time be wholly lost. For all that they were so easy, the seats were very insecure, and at every sudden jolt of the coach persons were slipping out of them and falling to the ground, where they were instantly compelled to take hold of the rope and help to drag the coach on which they had before ridden so pleasantly. It was naturally regarded as a terrible misfortune to lose one's seat, and the apprehension that this might happen to them or their friends was a constant cloud upon the happiness of those who rode.

"But did they think only of themselves? you ask. Was not their very luxury rendered intolerable to them by comparison with the lot of their brothers and sisters in the harness, and the knowledge that their own weight added to their toil! Had they no compassion for fellow beings from whom fortune only distinguished them? Oh, yes; commiseration was frequently expressed by those who rode for those who had to pull the coach, especially when the vehicle came to a bad place in the road, as it was constantly doing, or to a particularly steep hill. At such times, the desperate straining of the team, their agonized leaping and plunging under the pitiless lashing of hunger, the many who fainted at the rope and were trampled in the mire, made a very distressing spectacle, which often called forth highly creditable displays of feeling on the top of the coach. At such times the passengers would call down encouragingly to the toilers of the rope, exhorting them to patience, and holding out hopes of possible compensation in another world for the hardness of their lot, while others contributed to buy salves and liniments for the crippled and injured. It was agreed that it was a great pity that the coach should be so hard to pull, and there was a sense of general relief when the specially bad piece of road was gotten over. This relief was not, indeed, wholly on account of the team, for there was always some danger at these bad places of a general overturn in which all would lose their seats.

"It must in truth be admitted that the main effect of the spectacle of the misery of the toilers at the rope was to enhance the passengers' sense of the value of their seats upon the coach, and to cause them to hold on to them more desperately than before. If the passengers could only have felt assured that neither they nor their friends would ever fall from the top, it is probable that, beyond contributing to the funds for liniments and bandages, they would have troubled themselves extremely little about those who dragged the coach."

parasitic. The system that supports them penalizes the worker while it glorifies the owner.

3. *Wealth and the Wealthy*

An attentive listener to the teachings of American life might easily assume that the rich were unquestionably beneficiaries of their riches. Nothing could be farther from the truth. The most immediate result of riches is their disastrous effect on the rich.

Disastrous? Must "riches" and "disastrous" be linked together? Examine the matter carefully, and the conclusion is inevitable.

Riches saps initiative, undermines self-respect and prevents the rich man from enjoying human relationships. To the extent that riches does these things it is disastrous to the individual who is rich.

Riches saps initiative.

All normal men and women have a greater or less amount of creative impulse—of yearning for self-expression. This self-expression is the outward manifestation of their spiritual selves. When they are children, they plan, build, decorate and play. As they grow older, they turn to more permanent forms of activity—inventing, painting, organizing, directing, planning and building tools, machines, pictures, businesses, cities and nations. Shelly wrote because he must write; Franklin experimented scientifically because the spirit within him would not be gainsaid. It was the manners of Lincoln's soul that carried him to the fore. These things are in the man.

Human faculties, including the will, grow strong through use. Activity is the law of life. Truly said Faust, "In the beginning was the deed."

Poverty starves initiative. Riches surfeits it. Both, in the end, destroy it.

The rich learn to depend upon others. The boy, born into a rich family, who has someone at hand to fetch and carry for him, is denied the education that comes through doing. Instead of being stimulated to press forward in this direction or that, he is urged to "let James do it."

Said one college lad, "Why should I worry? Why should I work? Nothing is going to happen to me. Father has plenty and he will take care of me." He had been raised in luxury, trained to depend upon others for the supplying of his daily wants, taught to accept this as a matter of course. In his expensive preparatory school the masters had given him his studies in the form of carefully sterilized, pre-digested intellectual pillets; and in college as well as in life he expected someone to look out for him.

This does not always happen. But just as the child of the poor is likely to be thrown too much on his own resources, so the child of the rich is likely to be thrown too little on his own resources.

The attitude of the rich is well set forth in one passage from the twenty-third chapter of Matthew. "For they say and do not. For they bind heavy burdens and grievous to be borne, and lay them on men's shoulders, but they themselves will not move

them with one of their fingers." They wait for others to do it.

Riches saps initiative by removing the immediate stimulus to activity. The "I must" of the man thrown on his own resources becomes the "What's the use?" of the man who need never worry about the morrow or the morrow's morrow.

4. *Riches and Self-Respect*

Initiative is the grandmother of self-respect. Achievement is born of initiative, and self-respect is the child of achievement.

Here are two boys. One has acquired the habit of failure, the other the habit of success. The boy who has learned to fail abhors himself. He is worthless! He feels it in every fiber of his being. The boy who has learned to succeed passes from triumph to triumph. There is nothing too difficult for him to assay, and at each new achievement he becomes more capable of overcoming the next obstacle. Success, like failure, feeds upon itself.

The rich, particularly in the second generation, are not called upon to achieve anything. They are relieved from the necessity of exertion. Their power of initiative atrophies. They never learn success. This denial of achievement undermines the self-respect of the rich and is one of the surest explanations of that profound dissatisfaction, world-weariness and ennui that is the spiritual scourge of the well-to-do.

Stevenson, in that inspired passage at the end of his essay, "Aes Triplex," tells what, in his estimate, it means to die young. The triumphant soul has barely finished its work. "The sound of the mallet and hammer are scarcely quenched," when the spirit, in the high tide of its being, "shoots into the spiritual land."

The hand of riches is as palsied as the hand of old age. Gradually, piece by piece, it wears down the foundations of self-respect until the rich man finds himself alone with his riches.

5. *The Pauperizing Power of Riches*

There is an element of contradiction, as well as of unassailable truth in the phrase "The Pauperizing Power of Riches." Yet, equivocal as it may seem, riches does pauperize the rich.

What does "pauperize" mean?

The rich are most solicitous about the poor. Whatever happens, they must not be pauperized. There is a danger of pauperization in all forms of philanthropy and charity. School lunches pauperize the children; mothers' pensions pauperize the families; all forms of assistance given to individuals at public expense pauperizes the individuals—that is, it renders them less capable of self-support. Pauperize means "To lead one person to depend for support on another; to make dependent."

Riches pauperizes.

The children of rich people, and to a less extent

the rich people themselves, learn to depend on others for their support. Servants wait on them; the world of productive industry supplies them with the things that they use. Riches tends to make the rich incapable of self-support. There are in riches the worst features of pauperization against which the rich are constantly seeking to guard the poor.

The burden of riches rests heavily upon individual initiative and self-respect. Riches leads to dependence—inability for self-support. Riches pauperizes.

6. *The Isolation of Riches*

Riches isolates the rich as completely as though they were set upon an island of gold in the midst of a boundless ocean. The rich may have their friends among the rich, but they cannot reach the heart of humanity.

Philanthropy is the effort of the rich to establish human relations with the rest of mankind. As such, it is perhaps the most arid failure of the century.

A rich woman who owned an estate of many acres near a large city decided to set up some tents among her beautiful shade trees and invite shop girls to come there and stay during the summer. She had a child-like faith that while she was away on her summer travels they would come here and enjoy themselves. When she found that they would not come, she was displeased—affronted. They were, she said, "ungrateful."

The rich men of America in the present century are repeating the elaborate philanthropies carried on in Rome by the rich men of the Augustan age. They built schools, baths, libraries, fountains and public buildings in the hope that they could by these means atone for their riches. Like the philanthropists of the twentieth century, they failed.

The failure of philanthropy is inherent in the nature of such benefactions. Assume that the philanthropist is giving from the purest motives of altruism, the fact that he gives wealth and that another receives it throws between the two an impassable gulf. Philanthropist and beneficiary cannot be friends. Philanthropy annihilates friendship. Go one step farther, and have this philanthropy handled professionally by a society whose purpose is organized benevolence, and the philanthropy becomes grotesque.

"He gives nothing but worthless gold who gives from a sense of duty," writes Lowell. The sentence might be paraphrased to read, "He gives nothing but worthless gold who gives professionally." The \$100 wrung from the irascible philanthropist by the smooth-spoken agent of the charity society reeks with the contempt that the giver feels for his fellow men in general and the financial secretary of the charity society in particular. It is a means of disestablishing human relations. Instead of being a blessing, it is a curse.

"All gifts," you insist, "are not given on that

basis." True enough, but those who are acquainted with the running of private philanthropic societies, and who know the lengths to which these organizations go to raise funds, are gravely suspicious that a very large proportion of the dollars that make such an admirable showing after the names of the contributors published in the annual report would never have appeared in print but for the astuteness and persistence of men and women who are paid for their proficiency in the charitable art of wheedling.

Personal relationships vanish when the philanthropist signs the check that passes on his "worthless gold." Organized philanthropy and personal relationship are antithetical terms. Charity is synonymous with love, not checks! The champion of organized philanthropy points in vain to his list of volunteer workers. The givers who have sought to be philanthropic by giving money are in the same trap of impossibilities.

Philanthropy may be defended as conscience balm or as social fire insurance. The man who has stolen a hundred-thousand-dollar franchise may dedicate a ten-thousand-dollar stained glass window and "call it square." The astute millionaire may see in philanthropy a means of perpetuating a social system which, without philanthropy, would speedily become intolerable. Even in these cases, and they are probably not so numerous as some radical thinkers believe, there is no personal relation established between the giver and the receiver of the gift.

A considerable portion of the chapter on "Industrial Leadership" was devoted to the proposition that the leader must be the server, since great leadership involved great service. The only true philanthropist is the man who gives himself, and the possession of riches seems to erect a sharp barrier between the rich man and the world.

Emerson, in his essay on "Manners," states the matter very clearly. "Without the rich heart, wealth is an ugly beggar." He might have said "ugly pauper" and been nearer to the truth. "The only gift," he writes, in "Gifts," "is a portion of thyself." The proposition is so clearly defined and so well established that it needs no elaboration.

Lowell states the case in a manner even more sweeping. "Who gives himself with his gold feeds three—himself, his hungering neighbor and Me." The reverse holds equally true—that the man who does not give himself feeds no one.

There is no word here about the great foundations and bequests, because, administered by high-paid directors and by boards of trustees, they do not even profess to represent "giving" in the personal sense of that word.

The rich man, because he is rich, cannot give himself. It is this fact that led to the admonition which Jesus gave the rich young man who had kept all of the commandments: "Go, sell all you have; come and follow me." Until he had divested himself of the impenetrable armor which the possession

of riches threw about him, he was of no value as a personal worker.

7. *Spending as Philanthropy*

"True enough," admit the rich, "we do not give generously. Even the largest gifts are, as a rule, paltry when one considers the amount the giver has left. At the same time, we spend our money generously, circulate it and thus make people prosperous."

That "spending" argument is very old and somewhat overworked. Yet it is astonishing to find how many people believe it implicitly. To it there are several answers.

First, if it were true that spending makes prosperity, the cause of progress would be served best by having one person do all the spending for the community. That proposition even the most ardent advocate of the spending argument would hardly accept unless he was sure to be designated the spender.

Second, in proportion to their income, the poor spend more than the rich. Therefore, if spending were the objective desired, the most successful way to have money spent would be to give it to the poor.

Third, the assumption that spending rather than saving makes for prosperity, is based on an idea that is not necessarily correct. In a new country, the person who saves is more important than the

person who spends, because it is from the savings of the careful individual that the capital for new industries is secured.

Fourth, the person who spends does not do so primarily because he wishes to be philanthropic.² He spends because he wishes to have the things that he buys. The rich man's food, clothing and house decoration are bought with an eye to the rich man's taste—not to the poor man's welfare.

Fifth, when a rich man uses up food and clothing to supply himself with comforts and luxuries, he automatically denies the rest of the community those same things. There is a loaf of bread for supper. If father eats two-thirds of the loaf, there is only one-third left for mother and the children. At any given time there is only a certain amount of wealth in the community. If one man uses it, other people are automatically deprived of it unless there is more than enough to go round.³

² The real irony of the position taken by the man who justifies spending on the ground that he thus helps other people is well set forth in some lines credited to Ernest Bilton:

"Now Dives daily feasted and was gorgeously arrayed,
Not at all because he liked it but because 'twas good for trade.
That the people might have calico, he clothed himself in silk,
And surfeited himself on cream that they might get the milk;
He fed five hundred servants that the poor might not lack bread,
And had his vessels made of gold that they might get more lead;
And e'en to show his sympathy with the deserving poor
He did no useful work himself that they might do the more.
You'll think this very, very strange, but then of course, you know,
'Twas in a far-off country, and a long while ago."

³ This point is well illustrated by the comment that Victor Hugo puts in the mouth of the country Bishop, who was visiting his richer brethren in Paris:

"What fine clocks! What splendid carpets! What magnificent

The whole problem of the relation of the rich spender to the community is covered, as perhaps nowhere else in literature, by a passage from Ruskin's "Unto This Last:"

"If you are a young lady, and employ a certain number of sempstresses for a given time, in making a given number of simple and serviceable dresses, suppose, seven; of which you can wear one yourself for half the winter, and give six away to poor girls who have none, you are spending your money unselfishly. But if you employ the same number of sempstresses for the same number of days, in making four, or five, or six beautiful flounces for your own ball-dress—flounces which will clothe no one but yourself, and which you will yourself be unable to wear at more than one ball—you are employing your money selfishly. . . . I don't say you are never to do so; I don't say you ought not sometimes to think of yourselves only, and to make yourselves as pretty as you can; only do not confuse coquettishness with benevolence, nor cheat yourselves into thinking that all the finery you can wear is so much put into the hungry mouths of those beneath you; it is not so; . . . those fine dresses do not mean that so much has been put into their

liveries! You must find all that very troublesome! Oh, I should not like to have all such superfluities to yell incessantly in my ears; there are people who are hungry; there are people who are cold; there are poor, there are poor."

Or, from St. Augustine:

"The superfluities of the rich are the necessities of the poor. They who possess superfluities possess the goods of others."

mouths, but that so much has been taken out of their mouths. The real politico-economical significance of every one of those beautiful toilettes is just this: that you have had a certain number of people put for a certain number of days wholly under your authority by the sternest of slave-masters, hunger and cold, and have said to them, 'I will feed you, indeed, and clothe you, and give you fuel for so many days, but during those days you shall work for me only. Your little brothers need clothes, but you shall make none for them; your sick friend needs clothes, but you shall make none for her; you yourself will soon need another and a warmer dress, but you shall make none for yourself. You shall make nothing but lace and roses for me; for this fortnight to come, you shall work at the patterns and petals, and then I will crush and consume them away in an hour.' You will perhaps answer: 'It may not be particularly benevolent to do this, and we won't call it so; but at any rate we do no wrong in taking their labor when we pay them their wages. If we pay for their work we have a right to it.' No—a thousand times no. The labor which you have paid for does indeed become, by the act of purchase, your own labor; you have bought the hands and the time of those workers; they are, by right and justice, your own hands, your own time. But have you a right to spend your own time, to work with your own hands, only for your own advantage?—much more, when, by purchase, you have invested

your own person with the strength of others, and added to your own life a part of the life of others? . . . as long as there are cold and nakedness in the land around you, so long there can be no question at all but that splendor of dress is a crime. In due time, when we have nothing better to set people to work at, it may be right to let them make lace and cut jewels; but so long as there are any who have no blankets for their beds and no rags for their bodies, so long it is blanket-making and tailoring we must set people to work at—not lace.”

8. *We Cannot Serve Mammon*

The declaration, “Ye cannot serve God and Mammon,” offers no real alternative. We cannot serve Mammon.

The thinkers of the world for ages have understood this, but in regard to it the world is still in darkness. Here, in the United States, tens of thousands are busying themselves in Mammon’s service, despite the very obvious fact, noted even by Emerson, that the rich, who are trying to be rich, “arrive with pains and sweat and fury nowhere.”⁴ Solomon, though he was rich, said, “Give me neither poverty nor riches.” A long line of Greek and Roman philosophers made the same point. The followers of the early Christian Church went to the extreme of demanding poverty as a pre-requisite to salvation.

The revolt against riches is normal if the argument

⁴ Essay on “Nature.”

presented is sound. If riches saps initiative, undermines self-respect and prevents the rich man from establishing human relationships, even the rich should, with Timon of Athens, cast their riches aside. When it appears, further, that the rich are taking the wealth of the community for their own selfish enjoyments, while the poor must go without; and that riches, a relative term signifying the opposite of poverty, involves the maintenance of the maximum inequality in favor of those who are rich, society too must reject riches. Riches, with its running mate poverty, becomes the object of universal condemnation.

Riches leads those who are rich toward physical and spiritual death. Likewise it leads the community toward the social death that is a necessary product of parasitism.

There is a remarkable passage in the writings of James in which he cries to the rich, "Go to now, ye rich men, weep and howl for your miseries that shall come upon you. Your riches are corrupted and your garments are moth-eaten. Your gold and silver is cankered; and the rust of them shall be a witness against you, and shall eat your flesh as it were fire." Here is the warning that many of the later writers have put in stronger terms, but which is nowhere more strikingly stated. The destruction of the rich is their riches in the same sense that the destruction of the poor is their poverty.

The camel shall go through the needle's eye more

easily than a rich man shall enter the Kingdom of Heaven. His riches cumber his life. The rich young man who had kept all of the commandments, but who was told to go sell all that he had and give it to the poor, "when he heard this, was very sorrowful; for he had great possessions." He was young, but already the riches had a firm grip on his life.

The same destructive effect of riches may be observed in a social group. Thus Paul writes to the Church of the Laodiceans: "Because thou sayest, I am rich, and increased with goods, and have need of nothing; and knowest not that thou art wretched, and miserable, and poor, and blind, and naked." The riches of this group of people obstructed their vision of truth in exactly the same manner that the riches of the virtuous young man obstructed his vision.

The objective point of social organization is happy and noble men and women. To this end, poverty and riches alike fail. Neither happiness nor nobility is inherent, either in poverty or in riches. "It is well," said Saint Augustine, "that thou givest bread to the hungry, but better were it that none hungered and that thou hadst none to give." Poverty must give place to justice and riches must be supplanted by equal opportunity. Only thus can the greatest good be accomplished for that greatest number upon which the community depends for its continued success and from which alone the community must secure happiness and nobility.

9. *What is Riches?*

Some will insist, and very promptly, that the place for the definition of riches was at the outset of the discussion. It was deferred and set at this point in order that the reader might have, as a background for definition, the considerations regarding riches that have been stated. The time has now come to define riches.

Riches is a purely relative term. Not only is it true that the heaven of the rich is built upon the hell of the poor, but unless there were a hell of poverty there could be no heaven of riches.

The terms "rich" and "poor" are opposites in the same sense that the terms "north" and "south" are opposites. Were the south eliminated, there could be no north. The existence of the one presupposes the presence of the other. The Italian who comes to the United States, lives in squalor, saves a thousand dollars and goes back to his little Italian village, is rich there. The "local banker" in the Illinois country village—the most prosperous, substantial citizen in his town—takes a trip to Chicago or New York, where he finds himself inexpressibly poor. The "richness" of riches consists, not at all in the amount of them, but in the contrast between the amount of wealth in the possession of the poor part of the community. An Italian peasant is far richer in his native village on a thousand dollars than is a provincial banker in New York on a million. Ruskin states the matter thus:

"Men nearly always speak and write as if riches were absolute, and it were possible, by following certain scientific precepts, for everybody to be rich. . . . The force of the guinea you have in your pocket depends wholly on the default of a guinea in your neighbor's pocket. If he did not want it, it would be of no use to you; the degree of power it possesses depends accurately upon the need or desire he has for it, and the art of making yourself rich . . . is therefore equally and necessarily the art of keeping your neighbor poor."

The poorer the neighbor, the more powerful is the rich man. The contrast between the poverty of the poor and the riches is the measure of the power that the rich can exercise over the poor. The greater the contrast, the greater the power of the rich.

Were riches absolute, people might be both rich and happy. Thus, if every man who had a million were rich, and if no one, by any possibility, could get more than a million, then the rich could cease to strive when he reached the million mark, and be a satisfied man. Riches are not absolute, however. The man with a million is not rich so long as there is a man with a hundred million living across the street. Furthermore, even if the man with a million is the richest man in the community, there is the constantly impending probability that someone else may get two millions, and the possessor of one million strives as ardently as ever to keep ahead in the riches game.

Furthermore, since riches is as important for its power over the poor as it is for its supremacy among the rich, the rich man strives for more riches in order that he may have more power.

The phrase "drunk with power" describes accurately the state of the man who is forging ahead in the wealth-game. Riches is a social stimulant, more exhilarating than champagne. It is more deadly, too, because it gets a stronger grip on its victims and holds them more surely. The love of riches is the most consuming passion in the world. It grips all alike—young and old; weak and strong. It is for this reason that the Teacher exclaims, "How hard it is for them that trust in riches to enter into the Kingdom of God!" The riches block their path and the more they have the greater obstacle do they become. Instead of mounting to a heaven of happiness and satisfaction on the mountain of his riches, the rich man is crushed by them into a hell of taunting oblivions from which even the gilded monuments that he erects cannot save him.

10. *The Maximum Inequality*

Unless riches carry with them power over men, they are meaningless. No rich man would hold title to mines, steamship lines or metropolitan real estate unless they gave him this power.

A man owns a great estate on which there is a splendid mansion, fine stables, houses, cattle, orchards, fertile fields. One day a pestilence kills

off the men and women who have been working on the estate. There are no more servants to be had, and the owner decides to keep up the property himself. What does he discover? That if he is a good workman, well equipped with up-to-date tools, his own efforts will maintain from one to five acres of land in a state of high cultivation, while the mansion, the stables and the rolling fields grow up to briars and thickets, and in a decade become a wilderness. The estate that one man can work is small indeed. Only when he can persuade others to accept a part of his riches in return for their services can he expect to be rich.

The operation of each pice of industrial property depends upon the same principle. Of what use are railroads, steel mills, sugar refineries and silver mines unless someone can be found who is willing to pay a bonus (rent or interest) for the privilege of working there?

Dives has assumed, absurdly enough, that he was conferring a favor when he allowed another to set his table. Unless there were some other than Lazarus to accept his pay and set his table, he would have no feast.

Note the conclusion to which this argument leads: "What is really desired, under the name of riches, is essentially power over men; . . . And this power of wealth, of course, is greater or less in direct proportion to the poverty of the men over whom it is exercised, and in inverse proportion to

the number of persons who are as rich as ourselves, and who are ready to give the same price for an article of which the supply is limited. . . . So that, as above stated, the art of becoming 'rich,' in the common sense, is not absolutely nor finally the art of accumulating much money for ourselves, but also of contriving that our neighbors shall have less. In accurate terms, it is "the art of establishing the maximum inequality in our own favor."⁵

The art of becoming rich is "the art of establishing the maximum inequality in our favor." Study that sentence carefully. Compare it with the ethical codes commonly accepted by the Christian world, or the Pagan either, for that matter, and note the monstrous chasm that yawns between "the maximum inequality in our favor," and "do unto others as you would that they should do to you."

Riches are of value only when they will command the time and energy of another. The rich are rich because others are poor and in proportion as others are poor; the art of getting rich is the art of establishing the maximum inequality in our favor. This is the heaven of the rich that has been built on the hell of the poor. Here endeth the journey through Paradise. Thinking back over it all, do you wonder that Shaw writes of "That indispensable revolt against poverty that must also be a revolt against riches?"⁶

⁵ "Unto This Last," John Ruskin.

⁶ "Major Barbara," Introduction.

CHAPTER VI

INDUSTRIAL DEMOCRACY

1. *The Impatience for Constructive Work*

GO where you will; discuss what vital subject you please, and inevitably a question is asked. "Well, what are you going to do about it?" or more concretely, "Well, what can I do about it?" The world is tired of destructive thought; it is demanding a reaffirmation of the fundamental truths of life.

Truly did Carlyle anticipate the spirit of the present day in his utterance, "What! thou hast no faculty in that kind? only a torch for burning, no hammer for building? Take our thanks, then, and . . . thyself away."¹ The world is turning eagerly to him who has the hammer for building, asking where he keeps it, how he uses it, what it is made of, how it works, whether others could use one like it, and where duplicates are to be found. All of these queries must be answered, and, most important of all, they must be answered quickly, definitely and in certain terms.

Nor are people satisfied that the tool of construction should be a hammer. In an age of progress, why waste time over hammers? Why not have an

¹ "Sartor Resartus," Ch. 9.

Aladdin's lamp or some other touchstone of creation that will erect the palace of our dreams while we sleep?

Further, this constructive power must be a "remedy" that is guaranteed to cure the social ills. Not one disease must it master, but all diseases. It must be a panacea that will work equally well in the case of each specific social ailment.

This cure-all—the age-sought spring of perpetual social youth—is looked for as eagerly today as men ever sought its prototype in the days of De Soto. People, not a few, insist that they have found it, that they have it, and that if the world will but listen to their voices, it will be saved.

At the same time, oddly enough, by a complete contradiction, these same people insist upon an evolutionary as opposed to a revolutionary method of getting results. Things must not be thrown down too hard. Removing and rebuilding must be as simultaneous as they are in the tissues of the human body.

2. *The Ideals of Democracy*

One dramatic four-act answer may be made to all of these demands:

1. The world of human affairs always moves onward; and sometimes upward.
2. The onward movement is inevitable. The upward movement depends upon the will of man.



DESTITUTION AND LUXURY

An aged workman, stricken with paralysis after years of toil, bending over a cold stove in a filthy room; hungry, helpless and friendless, is shown above in a photograph taken by Charles F. Weller. In the living-room of a splendid house shown below, the wealthy man has every comfort and luxury. Nor is this the only room of which he has the use. (Photo from "House & Garden.")

3. Men, in building upward, work toward their ideals.
4. Everywhere, the world over, those who represent a progressive democracy are working toward ideals that can be reduced to the same general terms.

The ideas and ideals that lie at the foundation of the democratic thought of the United States are common to the democratic thinkers of Canada, Australia, Switzerland, France and England. They have been popularized by certain catch phrases that carry them to the minds and hearts of the citizenship.

The most commonly accepted of the ideals upon which American democracy was built is summed up in the phrase, "The equal right of all people to life, liberty and the pursuit of happiness." Human beings differ physically and intellectually. No one hopes or even pretends that people can be made equal. It is proposed to equalize opportunity. The men and women who founded the American Colonies fled from a civilization in which there were hereditary inequalities of opportunity. In their new homes, they dedicated themselves to the task of giving equal opportunity to all of the sons and daughters of men. There was to be no special privilege. All were to be started fair in the race of life.

The ideal of equal opportunity is one of the most brilliant dreams that ever came into the human consciousness. It makes room for the individual soul at the same time that it calls to the front the men who are best fitted to do the tasks of the world.

A second ideal of the early American democracy was aptly summed up in the phrase, "He that will not work, neither shall he eat." Citizens of a democracy must assume the responsibilities of citizenship under pain of missing its benefits.

Conversely, the government in a democracy must serve the citizenship. In its early expression, this thought takes the form, "Taxation without representation is tyranny." Those who pay the piper should call the tune. Later the expression appears as "A government of the people, by the people, and for the people,"—a people's government. A people's government can know only one duty—the service of those who support it.

Then, in the fourth place, the democracy will "put the man above the dollar," because, in a democracy, the important values are the human values; the great rights are the human rights. Therefore, the rights of men and women will come before the rights of property.

Here are four of the basic democratic concepts—equal opportunity, civic obligation, popular government and human rights. They were sound as tests of political democracy. Perhaps they may be equally useful in testing the democracy of industry.

3. *Democratic Ideals and the Industrial Régime*

These ideals of democracy were applied to the political affairs of the community. Now that a

great new force has arisen, the same ideals of democracy must be applied to the Industrial Régime, or else other ideals must be formulated that are more adequate to express the relation between the people and the industrial institutions of which the people are the living force.

Within a century the political functions of society have been pushed into the background, and in their places are the industrial forces, easily dominating, in their importance, every other activity of the community. Large scale industry has come to stay. It is an integral part of social life. It must be made a servant of man. How shall this admittedly desirable end be brought about? How but by the very process that in past years forced political government to accept community service as its declared standard. The Industrial Régime drives a hard pace; it pays indecently low wages; it racks its leaders as it does the subordinates; it continues poverty in the presence of plenty; it permits piled up riches in the hands of a few. The Industrial Régime evidently has not brought "the greatest good to the greatest number." Low wages, over-work, distorted individuality, poverty and riches have no place in a democracy.

The Industrial Régime seems on its face to be undemocratic or even anti-democratic. The democracy of it may be tested by examining it in terms of the generally accepted ideals of democracy.

4. *Equality of Opportunity*

Equality of opportunity is the germ thought of democracy. There must be none who are specially privileged. There is no class that is entitled to the first-fruits. The ages have experimented with every form of hereditary special privilege, and American society, in its very inception, was a reaction against them. The world is weary of economic and social favoritism—outgrown garments that belong among the other relics of pseudo-barbarism.

The Industrial Régime, the dominating force in modern life, must stand trial on all of the issues of democracy, but, most important of all, it must provide equal opportunity for life, liberty and the pursuit of happiness.

The record of the Industrial Régime to date is like gall and wormwood to the apostle of democracy. Although its superb mechanical efficiency has greatly increased the wealth of the human race, that wealth has been so unequally divided that it has brought in its train a whole retinue of agents that work tirelessly to destroy the possibilities of equal opportunity.

What does an equal opportunity for life mean?

First, it means that children, unequally born, as all children are, should have an equal chance to show the true nature of this inequality. The genius, whether he is born in the mansion or the hovel, must be given full scope for the development of his genius. The dunderhead, meanwhile, will be branded a

dunderhead. Equal opportunity for life means that all children are to start the race of life from scratch.

Before there can be equality in life, the infant mortality differential must be abolished. At the present time the children of the poor die many times more frequently than the children of the rich. They die because the poor are poor; they die because the poor are ignorant.

First of all, therefore, equality for life means a living wage—a wage that will provide the minimum necessities of life for a family of moderate size. In a community where it costs \$850 a year to buy a living, no family, count its virtues as it may, will be able to live on \$500 and escape the penalties of poverty. That fact should be luminous, even to the socially blind, yet in every great industrial center of the United States, wages are paid to many earnest, efficient, hard-working men that under no circumstances could buy the decencies of life for a moderate-sized family.

Industry retorts that it cannot discriminate; that it is impossible to take into consideration the family needs of a man doing its work. Were one wage paid to single men and a higher to married men no married man could get employment until all single men were employed. If all were paid a family wage, the unmarried would receive a wage far higher than was necessary for support.

Suppose that argument holds. The answer to it

is quite simple. If industry is unable to pay living wages to men with families, the duty must devolve upon the community to see that families are provided with the simplest necessities of life. Motherhood pension, motherhood endowment—call it what you will. The family is engaged in that highest of all human occupations—the manufacture of souls. For the future welfare of society it is imperative that these souls be of the finest quality. If there is one case in which state subsidy seems justified, it is in case of motherhood. Steamship lines and manufacturing industries are important, but motherhood is fundamental. Therefore, each mother must be paid a return in proportion to the number and age of her children. The state can afford to do no less for the well-being of its future citizens.

Will not the poor, thereupon, breed recklessly for the sake of the financial gain? In so far as experience is a valid guide, the result will be exactly the contrary. Reckless breeding occurs, for the most part, only among the very poor. The moment they receive a competence, they restrict the birth rate. A good living for the families of the poor would undoubtedly be the largest single asset in the fight for birth control.

While the difference between \$10 and \$25 a week makes a difference of treble the infant death-rate, it is idle to speak of equal rights to life. Before there can be equal rights for life the ten-dollar wage must cease, or else all must get it.

After the children reach school age, there is a very ready means of insuring at least a measure of physical well-being. Poverty reproduces itself. If the children of the poor are to be anything except poor, they must be fed and clothed sufficiently to give them physical health and normal growth. That means that the school will be called upon to provide at least one good meal a day to all of its pupils. To all, because only thus can the poor children be relieved from the stigma that goes with alms. All have free seats and free text-books. No one is pauperized. The mind works ill on an empty stomach. Therefore, as an essential part of its educational scheme, the school must provide bread.

Physically healthy children do not grow out of poverty. Living wages, endowed motherhood and school feeding—one or perhaps all of these means must be resorted to for the provision of equality in the physical basis of effective living.

Second only to the necessity for equality in the opportunities for physical life is the necessity for equality in the opportunities for educational life. The traditions of our education are all against equality. The nobility and the gentry among our European ancestors were looked upon as the legitimate objects of educational effort. The same thing was not true of the great mass of mankind who were born to be hewers of wood and drawers of water.

Here, in the United States, the same thought held true in large measure, and when, in the early

years of the nineteenth century, an energetic campaign was waged for free public education, the well-to-do uttered a frightened protest. "These people would not appreciate an education; they were not fit for it. Besides, if they are educated they will no longer be willing to work! The obvious thing was to deny them education.

The spirit of democracy and the exigencies of the new and highly specialized industry both demanded that opportunity be equalized and education be provided for all. Thence grew the public school system.

The people who live in the newer parts of America express their confidence in democracy by sending their children to public school, but in the large eastern cities there are many families that consider their children too good for the public schools. The result is a large number of private schools, maintained by the well-to-do for their children. If these private schools are better than the public schools, the students in them are given an unfair advantage at the beginning of their lives. If the private schools are not so good as the public schools, the children who attend them are handicapped. In either case, the private school works against equality of opportunity. Whatever their intention or their intrinsic worth, most private schools develop in their pupils an idea that they are "better" than the public school children, thus laying the basis for a vicious system of class-conscious snobbery.



A NOTORIOUS ALLEY SLUM NEAR THE NATIONAL CAPITOL

This remarkable photograph shows the capital at Washington two blocks distant from one of the worst districts. It illustrates literally some of Dr. Neuring's statements: "In this rich land the avenues of wealth and the alleys of poverty lie side by side. With ease, comfort and luxury in abundance, poverty, rags and squalor. What is poverty? Poverty is found wherever a family is living on an income that will not provide for physical health and social decency." (Photo by Hine from "Neglected Neighbors.")

The equalization of educational opportunity would seem to demand that all children, of whatever status in life, attend the public schools and there match their talents against those of the other children in the same neighborhood. There will still be differences between neighborhoods, particularly in the elementary schools, yet the sending of all children to public educational institutions will be a long step in the direction of equality of opportunity.

Where children have been given an equal opportunity for life in the form of food and clothing, and an equal opportunity for education in the form of a generally attended public school system, there remains the necessity for establishing an equality of opportunity for achievement. That means that there must be no endowed youths and maidens in the community. At the present time the sons and daughters of the rich have a start in life that enables them to outstrip others who have no greater abilities. It is idle to contend that Rockefeller's son and the son of a Colorado miner have equal opportunity, even though they have equal ability. The opportunity of the one is immeasurably greater than that of the other. The system of parental endowment of untried youth is opposed to every concept of democracy as equal opportunity.

Until all of the children in the community have an equal opportunity to get a healthy start in life, until all have like opportunities for education, and until there is an equalization of the conditions surround-

ing the livelihood struggle, it is idle to talk of equality of opportunity for life. And since equality of opportunity for life—physical, intellectual, vocational—is one of the elemental ideals of democracy, democracy in any form is impossible until this equality is assured.

5. *Liberty as Opportunity*

Liberty, to those who love it, is one of the most precious words in the language. To those who fear it, liberty is one of the most hateful.

What is liberty?

It is opportunity to come and go, to speak, to write, to think, subject always to the law of equal liberty, that makes the liberty of each man depend on the manner in which liberty is exercised by his neighbors. Liberty is thus a form of opportunity that is not directly concerned with the economic interests of life, and yet it is just where liberty contravenes economic interests that it is most seriously curtailed.

The curtailment of liberty that is involved in sending a man to jail for having in his possession, and giving to a stranger, a pamphlet on birth control is scandalous in the extreme; yet it is not of far-reaching importance, nor will it result in serious consequences to many people. The prohibition which places a heavy penalty on doctors who give information regarding birth control is a serious one and one that stands directly in the path of progress.

If the well-to-do woman is to be put in possession of knowledge that will enable her to regulate the size of her family, it would seem that the poor woman, who is under an even greater necessity for family limitation, should have an opportunity to secure the same information. Indeed, there are people, not a few, who insist that the problem of birth control, involving, as it does, the only effective answer to the Malthusian doctrine, is of vital concern to the democracy. Were fewer babies born into the families of the poor, there would be fewer to die and better care for those that did come; yet it is in those families least capable of caring for children that the highest birth-rate is found.

Liberty to give information regarding any subject about which men have information is an essential factor in democracy. That liberty includes subjects like birth control, which offend against the moral standards of the community. Three centuries ago the curtailment of religious liberty must have been discussed in the same connection. At the present time, in the United States, that question no longer presents itself.

The real fight for liberty of opportunity at the present time centers about the economic world. It is there that the next battle for liberty will be lost or won.

The leaders of the economic world have learned the importance of public opinion. Even if they believe that the public should be damned, they no

longer say so. On the contrary, they are resorting to every device to win public opinion for their own.

The attitude is easily explained. During the seventies, eighties and nineties, when the great aggregations of private capital were being built up, there was no need to worry about public opinion. The public was watching, mouth agape, the sleight-of-hand performances of the wonder-workers, who could build a city over night, with its rattling machinery and roaring forges. Later, when it came to paying the bill, the public began to take an active hand in business affairs; and now that it has become a question as to whether the people or the great corporations shall control the country, the corporations are using every device to win public opinion, which is the key to the situation.

The channels of public opinion are already well in hand. The bar, the pulpit, the college chair, the press, are all distinctly conservative. That is, content to let well enough alone. There are radical and even revolutionary elements in all of these institutions for the shaping of public opinion, but the tone of the groups is conservative. In all of them, at the present time, the younger element is voicing an energetic protest. In all of them, the conservative forces are bringing the most terrific pressure to bear to keep the younger men in line.

During the past few years radicalism seems to have gained in all directions. More frequently, pleas for justice are heard from lawyers; pleas for

truth from ministers and teachers. The dead things of the past seem to be losing some of their power; the living things of the present and of the future seem to be gaining.

Still it remains true that those who speak in favor of things as they are "get space," while those who speak on the other side are tucked into a corner or else ignored. The fight is not yet won—it is hardly well begun.

The contest for liberty in the industrial world is in its infancy. The professional groups in the population enjoy a moderate degree of liberty. The wage-earners have their liberty still to win. John Lawson in Colorado; Patrick Quinlan in Paterson; Little Falls, Pittsburgh, West Virginia—all bear eloquent testimony to the coming of fierce conflict.

The men who wish to organize a union are no longer jailed for conspiracy, but "the forces of law and order" are lined up against them and they are hampered in every direction.

The most effective bribe is the bribe of a job. There is no hush money like the pay envelope. At the present time the surplus of labor is permitting the employing world to discriminate harshly against the man who is organizing with his fellows into any form of labor organization.

The liberty of the employer to organize in trade bodies is commonly accepted. The rights of the workers in the same direction are, in many districts and in many trades, ignored or ruthlessly curtailed.

6. *Opportunity and Pursuit of Happiness*

There is no way in which the pursuit of happiness may be measured unless some extremely materialistic problem such as livelihood be considered. And after all, it remains true that happiness is impossible in the face of grinding poverty and is almost as impossible in the face of great riches. Therefore, while livelihood is by no means a measure or determiner of happiness except in the most materialistic sense, it affords the surest foundation upon which a happy life may be built.

The poor and the rich are not equal if equality is measured in terms of infant death rates, of sickness rates, of educational advantages and of opportunities to start the race of life. There is an even broader sense in which there is gross inequality as between poor and rich.

Broadly speaking—and this statement must be broadly construed—the poor are the workers and the rich are the owners in the Industrial Régime. The poor give the great part of the human service; the rich control most of the productive machinery.

The poor own. They own their clothing, their kitchen utensils and house furnishings. Frequently they own their own houses. But in the vast majority of cases they do not own stocks, bonds or any other form of title to the railroads, mines, factories and stores for which they work. These titles are held by the rich.

Not all of those who work are poor, but the vast

majority of those who are poor work for wages. It is only a vanishingly small proportion of the poor who live on the community without engaging in productive toil. The Johnstown report pointed out the fact that where the infant mortality was highest there lived the "families of the men who do the unskilled work in the steel mills and mines." The poor are the workers, in Johnstown and elsewhere.

Many of the rich—probably most of the rich men—are workers, but their riches consists, not primarily in the salary or returns for services, but in the income that they derive for their ownership of income-yielding property with which the poor must work if they are to live.

Riches, in so far as it consists in "establishing the maximum inequality in our own favor," is diametrically opposed to equality of opportunity. Riches, in this sense, is as far from democracy as the east is from the west.

Moreover, when it is remembered that the rich own the property with which the poor must work for a living, and that, in return for this ownership, they expect a return in the form of rent or interest, because they are the owners, and that the poor, who work with and live upon the property of the rich, must pay them a return out of the products of their work, it becomes apparent that the private ownership of income-yielding property creates an impossible barrier of special privilege between those

who work and those who own the property on which the work is done. Unless all are owners, those who own may and do exact a tribute from those who work, so that the harder the worker works and the more product he turns out, the greater is the return to the property owner and the wider is the gulf between the opportunities of him who works and him who owns.

Those who own income-yielding property that is the product of their own accumulation and who may therefore live upon the income from this property without themselves doing any work, hold a means of enforcing inequality as between themselves and the workers. Those who inherit income-yielding property start the race of life with an assured livelihood, while the children of the workers must produce sufficient wealth to provide for their own necessities and to pay the interest and dividends on the property held by the sons of the rich. Thus the workers, in the race of life, must run their own race, carrying, meanwhile, the property owners who need do no work. Among these workers are many poor upon whose backs sit the few rich.

There is a forceful statement of the contrast in Ruskin's "Unto This Last." "It has long been known and declared that the poor have no right to the property of the rich. I wish it also to be known and declared that the rich have no right to the property of the poor." While the poor, who work for a living, are compelled to support the rich who own for a living, it is idle to talk about equal

opportunity for livelihood. The opportunities for livelihood are in their very nature unequal and must inevitably remain so as long as a part of the people are permitted to hold titles and draw income from income-yielding property with which the poor must work for a living.

7. *Workers and Eaters*

The argument with which the preceding section concluded has an immediate bearing upon the next fundamental proposition of democracy: "He that will not work, neither shall he eat." Enough has already been said about the relative status of workers and owners in the United States. It is necessary, at this point, to emphasize the thought that all who share in the benefits of social activity should also share in its burdens.

John Smith and his followers had fled from a system of economic organization under which those who owned the land fared sumptuously upon the rents paid to them by those who worked the land. The feudal system gave the land to a landed class, and by that fact put into the possession of the landed class the power to exact a rent from all who wished to use the land. The land owners, generation after generation, lived without working, upon the income yielded by their land.

Revolting against this form of economic parasitism, John Smith uttered his protest: "He that will not work, neither shall he eat." The welfare of the com-

munity seemed to require that those who share benefits also share burdens.

The special privilege inherent in all forms of income-yielding property contravenes this fundamental democratic principle. With the amount of income-yielding property limited, and with the necessity that those who earn their livelihood by working with this property shall pay those who own it for the privilege of using, it becomes certain that the private ownership of income-yielding property will create a parasitic class that will be able to eat without doing any work.

The extent to which this is already done is astonishing. To take only one of the many forms of income-yielding property—corporate stocks and bonds—the United States Commissioner of Internal Revenue reports that the corporations required by law to pay the Federal revenue tax had (1913) total bonds of \$34,750,000,000 and total stocks of \$61,738,000,000. Together these corporation securities amount to almost a hundred billions. If they pay an average interest of five per cent and an average dividend of four per cent, they yield about four and a quarter billions of dollars in annual revenue to their owners. If to these income-yielding property titles are added the mortgages, the rented city real estate, the farms on lease, the property returns from unincorporated businesses and the income on public debt, some idea may be secured of the present possibilities before those people who wish to live on their incomes.

One frequently hears the attitude of the wage-earner decried. He soldiers. He does not deliver a fair day's work. Such critics would be vehement indeed if the wage-earner proposed to get his pay without doing any work. Yet this is exactly the proposition that the owners of income-yielding property are demonstrating every day that they live on their ownership. There is probably no force more utterly demoralizing than the efforts of a part of the population to live, without working, upon the labor of another part. Despite this quite obvious fact, the United States is today engaged in building up an economic system that guarantees a far better living to the rich loafer than it pays to the honest worker.

8. *A People's Government*

The government of the United States is a people's government. That is, it is organized on the general democratic proposition of the greatest good to the greatest number. The greatest number of the American people are wage-earners or lease-holders, who are using the property of others in the gaining of a livelihood. The American government, in order to be democratic, must apply this principle to the industrial world.

In the first place, it must be quite apparent, without any argument, that industry is utterly undemocratic in its present organization.

Democracy presupposes control by the people—

the majority of the people. As it has been worked out in modern society, it means the selection, by the people, of representatives who act for their constituency. This type of representative democracy has been accepted as a matter of course in politics. Industry, meanwhile, is under the almost complete control of a non-representative and non-responsible plutocracy.

With the exception of a very mild form of regulation exercised by state and Federal government over certain of the more important public utilities, those who own the industries control them as absolutely as the owner of a dukedom in medieval Germany controlled his estate. The modern wage-earners are not attached to the industry as the medieval serfs were attached to the land, but while they continue to work in an industry they are subject to the dictates of the owners of the industry.

The corporation is the clearest type of this relation between ownership and industrial control. The stockholder—the owners of the corporation—select a board of directors whose duty it is to manage the affairs of the property. The directors, in turn, designate certain administrative officers who carry on the active business of management. Not once are the workers consulted regarding any matter of industrial policy. They have no say, either in the selection of the officials or in the determination of the things that are to be done by the officials. The workers in a modern industry are just as far from

having a say in industrial affairs as were the serfs of medieval Europe from participating in the affairs of the estates on which they worked.

It seems almost idle to reiterate such statements. They are so obvious. No worker supposes that he has a say in business policy. No owner of business property pretends that the workers have a say in business policy. At the same time most people fail to realize the absolute negation of democracy that is involved in the present-day system of industrial organization.

Industry is not only undemocratic in its internal organization, but it has actually presumed to reach out and lay its hands on the political government for the furthering of its own interests. Thinking people cannot listen with anything short of alarm while the President speaks to Congress of the possibility that employers will allow the young men in their employ to take a few months for military training, saying, "I, for one, do not doubt the patriotic devotion either of our young men or of those who give them employment—those for whose benefit and protection they would enlist."² It may be news to many people in the country that military preparedness is for the benefit and protection of the employing class, yet the President makes the point quite frankly.

To those who have followed the recent controversies between labor and capital, it is no news

² Message of December 7, 1915.

that the power of government has been used almost universally on the side of capital and against labor. Shortly after the recent outbreak in Colorado, the Governor (Ammons) wrote an article for the *North American Review* in which he discussed the whole situation. When the Governor referred to "rights" he meant the rights of property; when he referred to "wrongs," he meant wrongs against property. In the subsequent testimony it was clearly brought out that certain of the mining companies had been for years deliberately violating the state mining laws. As a result of these violations, the lives of the miners were jeopardized. When these matters were brought to the attention of the Governor, he made no outcry against "wrongs" and in favor of "rights." He sent no militia to place the mine company officials under arrest until the conditions were remedied. The safety and even the life of the miners was endangered; the state took no action, but the moment that the property of the operators was threatened the officials acted.

The same thing held true in West Virginia. Frightful explosions, resulting from deliberate neglect of official warnings, cost scores of lives without causing more than a ripple in officialdom. The moment the property of mine owners was threatened, the militia was called out, martial law was declared and the military courts railroaded cases that might have been as readily disposed of by civil procedure.

Illustrations might be multiplied of the manner in which the owners of industry have succeeded in establishing a control over the machinery of government. Their contributions to campaign funds, their manipulation of party machinery; their dictation of nominations and appointments; their success in securing the legislation they desire and in killing that to which they are opposed—in these and other directions industry has manifested its power over politics. The democracy and the plutocracy are at war and the democracy is fighting for its life.

Indeed, it is becoming increasingly apparent that a modern nation cannot exist part democratic and part plutocratic. The interests of the democracy and those of the plutocracy are directly opposed to one another. The democracy asks for the control of the larger affairs of public life. The plutocracy confidently expects to exercise the same control.

The plutocracy bases its power on some form of special privilege. The democracy stands for equality of opportunity. Special privilege is to democracy as the east is to the west. They cannot exist together. If special privilege is to dominate, equality of opportunity must be denied. If equal opportunity is to be the rule of the community, special privilege must go.

The struggle between plutocracy and democracy is a struggle for life and death. One must survive, the other must be destroyed. Perhaps the matter is best illustrated in its relation to the very important question of taxation.

9. *Taxation and Representation*

The problem of taxation has been one of pressing importance to the democracy for many centuries. In England a long struggle was waged before the Commons won the right to levy taxes and to direct the expenditure of public money. It was not until the twentieth century that the House of Lords officially relinquished the right to dictate in regard to the taxing power.

The taxing power is one of the most important of all governmental functions. It is the source of public revenue. It includes the power to destroy the object of taxation.

In its original form, taxation was a tribute levied on the conquered by the conquerer. The tax-gatherer, the worst hated of all men, followed the rule, "Get all you can." Consequently the taxation was another name for tyranny.

The evolution of democratic government has carried, as a necessary accompaniment, the exercise of the taxing power. The tax-gatherer is no longer a hated official. Of old he levied on the weak and gave to the strong. The rich lived in luxury because the tax-gatherer squeezed the poor dry. Today the taxes that are raised by public levy are spent for public purposes—high schools, roads, public buildings and the like. Taxation and tyranny are no longer synonymous, because the people decide, through their representatives, what disposition shall be made of the money raised by taxation.

Today, as of old, taxation without representation is tyranny, and taxation without representation is the rule of the plutocracy.

The plutocracy today levies on the public as the landed aristocracy once levied on its public. Then the levy was made through the control of the land and of the machinery of government. Today it is made through the control of the natural resources and the machinery of transportation and finance.

The new taxing power is called "Monopoly power." It includes the right to levy on all who are subject to its control, "all that the traffic will bear." That phrase means "get all you can." It is the watchword of the tax-gatherer of old in a new setting and a new land, but it is the same watchword. The great aggregations of capital, exercising their monopoly power today, occupy exactly the same position that was occupied by the landed aristocracy of old. They collect taxes and get all they can.

Taxation without representation is still tyranny. The people in the exercise of their democratic powers are the only legitimate power to levy taxes; yet today the tax levied upon the people of the United States by those who hold income-yielding property is probably greater in the aggregate than the total amount levied by local, state and national government.

10. *The Man Above the Dollar*

The phrase "put the man above the dollar" describes the results that might be expected to flow

from the operations of a government of the people, by the people, and for the people. The saying finds its modern application in the contest between property rights and human rights.

The people of a democracy who, like other people, hold their lives dearer than their property, might be expected to give the first consideration to human well-being and to consider the well-being of property as a matter of secondary importance. Feudal Europe had passed through a long experience during which property was considered before people—that is, the property of the governing group was considered before the well-being of the masses. Democracy was to remedy this glaring inhumanity by looking out for the well-being of people in whatever class they might be found, before the property of any particular group was considered.

This common humanity of man to man was to be an essential feature of the new democratic standard that society would set up. Of necessity it would replace the old standards which regarded man first as property, if he could be enslaved; later as attached to the land on which he worked; and still later, in the present era, as being of less importance to the world than capital. Ruskin voices the ideal when he urges society to devote its energy to the production of happy and noble men and women. From his point of view, wealth is life, with all of its boundless possibilities.

Putting the man above the dollar as an element

in industrial democracy has a very definite meaning. Fenderless or poorly fendered street cars that grind people under the wheels because it is cheaper to pay accident claims than it is to equip the cars with adequate fenders; coal mines in which gas and dust accumulating through lack of proper precautions lead to disastrous explosions; railroads operating with improper equipment because proper equipment costs money; factories unprovided with sufficient fire escapes, in which men and women are burned to death; children turned in to work at an early age because they are cheap and profitable; unprotected workers in dangerous trades—all of these and many other instances are the essential elements of an economic system that puts the dollar before the man—profits before people.

While business is run for profits, the winning of profits will be the chief task of the man of affairs. Profits are cash profits, measured in dollars and not in human well-being. Therefore, as long as industry is run for profit, the dollar will be put above the man.

Grant the truth of this assertion and it becomes apparent that there is a fundamental conflict between this principle of democracy and the present system of industry for profit. So long as industry is run for profit primarily, it cannot be run primarily for service. Until industry is run for the service of the great body of people, it cannot be democratic. Industry for profit and democracy are diametrically opposed to one another.

Putting the man above the dollar means running industry for people, not profits. Under such an industrial order, as in the family, human well-being will always come before property.

The problem of industrial democracy has been approached from four points of view: (1) equality of opportunity; (2) obligation to serve the community; (3) the need of a government that will represent the people; and (4) the necessity for considering human welfare as more important than property welfare. These principles of democracy must be applied to industry if industrial democracy is to be established. The analysis has suggested that the present system of wealth distribution; the gulf between those who work and those who own; economic parasitism, with its complement of exploitation; and industry for profit are, in their very nature, opposed to industrial democracy. If this is true, then industrial democracy will never be a reality while industry for profit remains.

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